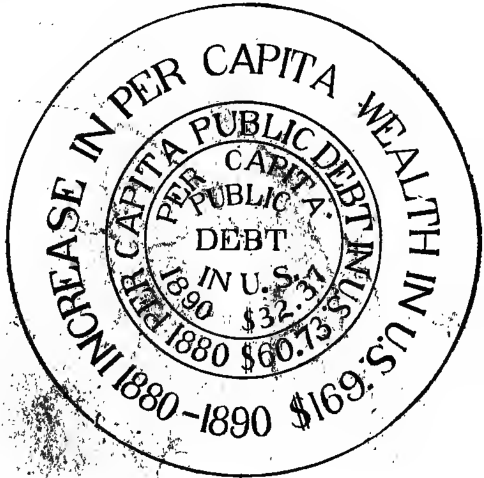
Farmer Hayseed in Town;

25 Cents.

This book contains some facts and history not included in Coin's Financial School.

. . . . OR, ...

The Closing Days of Coin's Financial School



. . . . BY . . . .

L. G. Powers

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FARMER HAYSEED AND COIN IN THE TEMPLE OF KNOWLEDGE. (See page 32.)

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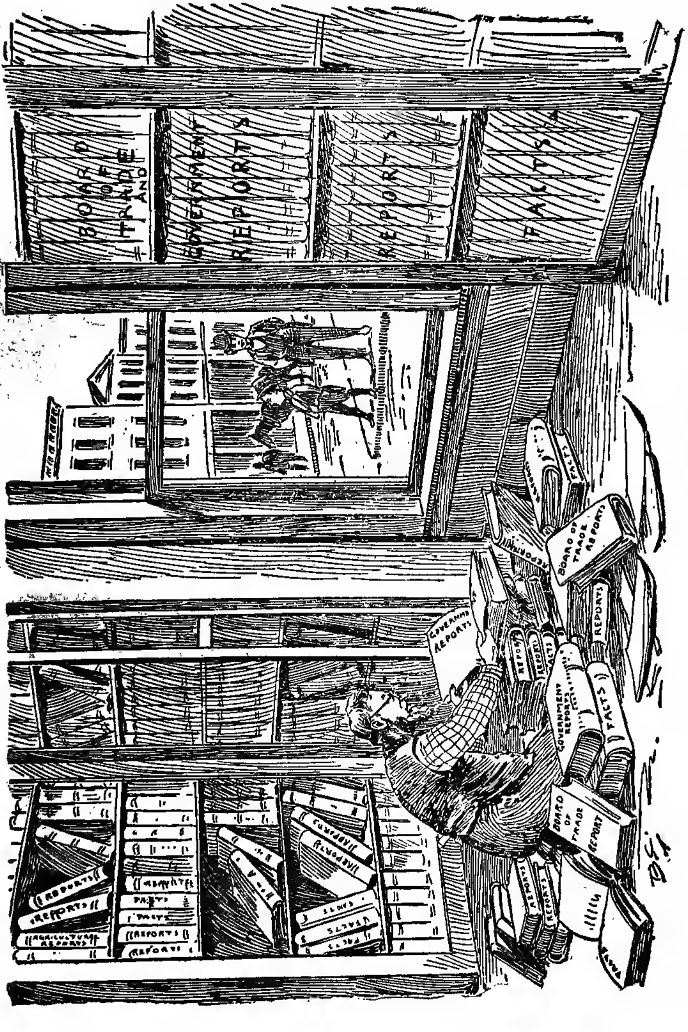
DEDICATED

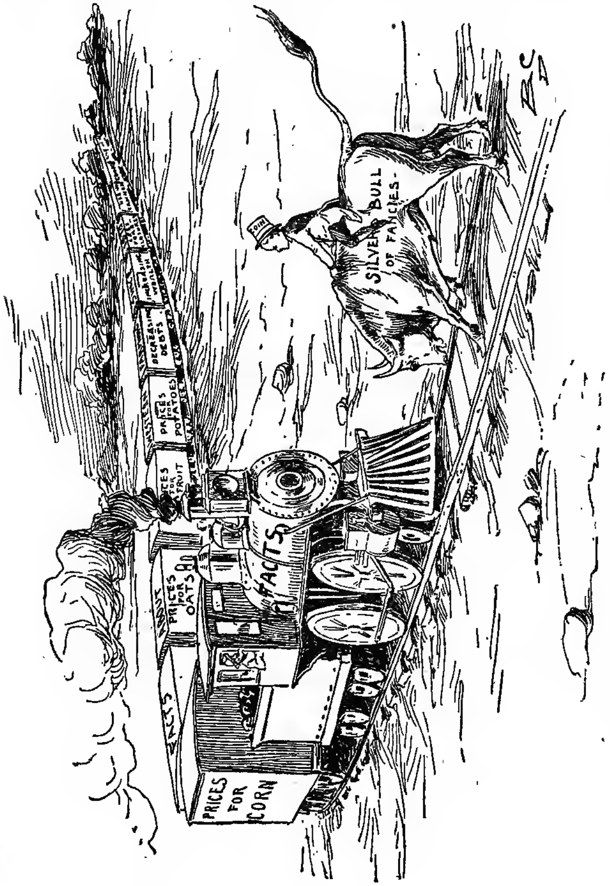
TO THOSE WHO, LIKE FARMER HAYSEED, ARE INQUIRING FOR THE FACTS ABOUT SILVER LEGISLATION.



FARMER HAYSEED AND COIN IN THE TEMPLE OF KNOWLEDGE. (See page 32.)

PREFACE.

"The silver question is one to be settled by facts about prices, wages, debts, etc. Theories, however fanciful, cannot stand before the momentum of truth."



THE SILVER BULL OF FANCIES WILL PERISH. (See page 139.)

Farmer Hayseed in Town;

OR, THE

Closing Days of Coin's Financial School.

CHAPTER I.

GOLDEN GRAIN AND GOLD.

"It is easy to find fault, if one has a disposition. There was once a man, who, not being able to find any other fault with his coal, complained that there were too many prehistoric toads in it."

—*Mark Twain.*

"What's the matter with Coin?" "He's a sleek one!" This was the salutation of welcome with which Mr. Alexander Coin, "the smooth little financier" of Chicago, as he calls himself, was received one afternoon as he stepped upon the platform in his lecture-room at the hour set for the instruction of the day.

A word here may not be out of place concerning Mr. Alexander Coin and his school of finance. Mr. Coin had been running his school some days when

the event above referred to occurred. His object in opening and managing it was that of making a fortune for himself by telling the fortunes of others. In this he had been eminently successful. He proceeded in his lectures and instructions on the basis of a motto which Mark Twain extracted from Puddenhead Wilson's diary, that "Nothing so needs reforming as other people's habits" and ideas.

Mr. Coin's school opened on the 7th day of May, 1894. Its founder at once established a reputation as a brilliant talker, who carried conviction to the mass of his listeners. He had the happy faculty—not yet attained by the average college professor of finance or political science—of stating his ideas in a pleasing and taking manner. This fact soon drew to his school many bright fellows who were attending the University of Chicago and other colleges near that city. It was thus that young Greenman Hayseed from Iowa, a student at the Chicago University, found himself attracted to Mr. Coin's lectures. He had been charmed by the fluency of the lecturer's style. Coin seemed to know so much more about every subject than his college instructors that Greenman lost his interest in the dry curriculum of the University and sat at Coin's feet to drink deeper at the fountain of universal knowledge. He soon saw the pressing need of reforming other people. He would learn the art of finding fault and so become a leader in freeing the world from bondage to gold. For was not the prehistoric habit

of depending upon gold as a medium of exchange, everywhere casting its malign influence upon society as the toads of Puddenhead Wilson spoiled the fuel qualities of the coal; or, as Mr. Coin expressed it in

HE BURNED CORN FOR FUEL.

his lectures, "The world's slavery to gold is such an evil that it is breaking down the fabric of our Institutions, driving hope from the heart and happiness from the minds of our people."

Hayseed's father was a typical farmer. He moved to Iowa from New England and had lived and struggled on a Western farm for over thirty years. His home was on a treeless prairie, six miles from the railroad. His fuel for the winter was, as a rule, coal that had to be brought to his market town from the mines, fifty and seventy-five miles away, and from there hauled by wagons to his home. But Hayseed early learned the value of corn as fuel. It was in the fall of 1872, when corn was worth only ten cents and coal twenty cents a bushel at the station. To save labor in hauling two bushels of corn to market and then buying therewith one bushel of coal to be hauled back, Hayseed and his neighbors tried an experiment. They began to burn corn. They found it better and cheaper as a fuel than coal and, not only in the winter of 1873, but in many other years between 1870 and 1880, they burned that grain to keep their houses warm. In the last ten years the old man had never seen the time that such use of corn was profitable. However low corn prices dropped in the winter of 1889 and 1890, the farmers of Iowa were few and far between who could afford to substitute corn for coal as fuel as in the seventies, ten and twenty years before.

These facts were recalled to the old man's mind during a school lecture by Coin which he attended in company with his son one day while visiting him in Chicago. Later in the same day the young man called up the subject anew by referring to the terrible finan-

cial condition as painted by Coin. The old man at first mildly suggested that the condition of affairs in Iowa was not quite so bad as Coin had described it. To the young man, as to all the other disciples of the smooth young financier, this doubt was the expression of high treason. He was not slow in letting his father know this fact. Unconsciously, he made use of some of the impassioned utterances of his master, Coin.

"Why, father," he cried, "how can you be so indifferent to the crime of 1873, a crime which at one stroke confiscated millions of dollars of property; a crime which is destroying the honest yeomanry of the land, the bulwark of the nation; a crime which has brought this once great republic to the verge of ruin, where it is in imminent danger of tottering to its fall?"

The old man seemed strangely unmoved. He merely asked: "Greeny, do you include your father as one of the honest yeomanry of the land?"

"Why, certainly," said the son.

"And you honestly believe that the silver legislation of 1873 is crushing me to the earth?"

"Of course, and I have realized it for a long time."

"Ah, indeed," said the old man, "you doubtless had that in mind when last week you wanted me to bring you $500 extra money to pay your dues in the college football team, in your athletic association, your Greek letter society; to enable you to go to theatres and lectures, to study elocution, and to make yourself the

possessor of some specimens of fine art furniture to adorn your room?"

"You can afford it," passionately replied the son. "Your farms are worth $25,000 and your income from them and your notes and mortgages outstanding is $5,000 a year and more. You ought to allow me a decent income so that I can live here in Chicago as a gentleman and a gentleman's son."

"Tut, tut," said the old man. "Your old father is then not quite so fully destroyed as you and Coin have painted. The yeoman seems to have money and to be making money. How do you reconcile that fact with your statement about the demonetization of silver causing the destruction of the honest yeoman?"

"I do not refer to you, father, but to the farmers as a class. You are an exception. I am speaking of the farmers of the West as a whole."

"You say," said the old man in reply, "that the farmers of the West as a whole are unfortunate at the present time. You tell me, also, that their misfortune is caused by the crime of the so-called demonetization of silver in 1873. I sat for two hours listening to Mr. Coin's explanation of how that old silver legislation has affected farm prices and wrought ruin. I was reminded of a story. The members of a philosophical society were once asked, why, if a person had a pail full of water and should put a large fish therein, no water would flow out of the pail. The members thought over the subject for a week. They studied

all the known facts of hydrostatics. They prepared elaborate tables showing the laws of falling water and moving fluids and the units of weight and measure and explained it all to their satisfaction. After this had been done and all criticism had been silenced, a simple-minded rustic who was present asked the question: Is it true that no water will flow out when the fish is put into the same? Let us see. A fish was brought and put into a pail full of water, when, lo! the water overflowed and all the labored explanations of the wise men were found worthless. So, my son, before arguing concerning the cause of the farmer's ruin, you should ask, Is he ruined? This is the fundamental error of Mr. Coin. He spent two hours in explaining how and why the silver legislation of the past twenty-five years has 'reduced the average value of silver and all other property one-half, except debts,' and thus ruined the farmer, and he never gave a single fact about the actual farm value of farm products and farm property and the relative prosperity of the farmers in the great farming states of the West now as compared with twenty-five years ago."

"Yes," said the boy, "I know that; but you know, as I do, that these products and that property are only worth one-half as much as in 1873. That fact follows of necessity from the laws of finance accepted by all authorities in every great centre of learning. We have established a gold standard. We have made a gold dollar take the place of a gold dollar and a sil-

ver one. It has become worth as much as both formerly were and hence of necessity everywhere the gold value of commodities has decreased to one-half its earlier proportions."

"Well," said old Hayseed, "may be you are right.

FARMER HAYSEED TESTING COIN'S THEORIES BY FACTS.

Let us see. You have your pail of theoretical calamity pretty near full. Let us put the fish of actual farm prices into your pail of calamity and see if you have no excess of ruin. We won't select silver fish, since, if we did, that might enable you to explain the overflow by the kind of fish used. We will take gold fish, since such fish, according to your theory, cannot displace

any of the farmer's theoretical ruin of which you have learned from Coin. Let us, in a business-like way, ask what have been the changes in the farm values of the leading product of the farm, the most valuable crop of Iowa, Illinois, Indiana, Missouri, and other states in the Mississippi Valley. What, may I ask, is that crop?"

"Why, corn, of course," said the son. "The value of corn in Iowa is worth almost, if not quite, that of all other crops in the state. For the nation it is about equal in value to that of both wheat and cotton or twice that of either. Thus, in 1890, the home value of the wheat crop in the United States was $334,773,678 and that of cotton $308,424,271. Together they were worth $643,197,949, while the home value of the corn crop was valued at $754,433,451. But however valuable the corn is as corn, that value is vastly increased when fed to stock and turned into meat, milk, butter, cheese, poultry, and eggs and used as food. It then exceeds the value of all the other cereals of the nation and approximates that of all other farm products including cotton."

All this the young man hastened to say. He had heard his father make the same statements before, and in dealing with facts he was not ready to question his father, since he had always found him quite accurate with reference thereto. When he ceased speaking his father said:

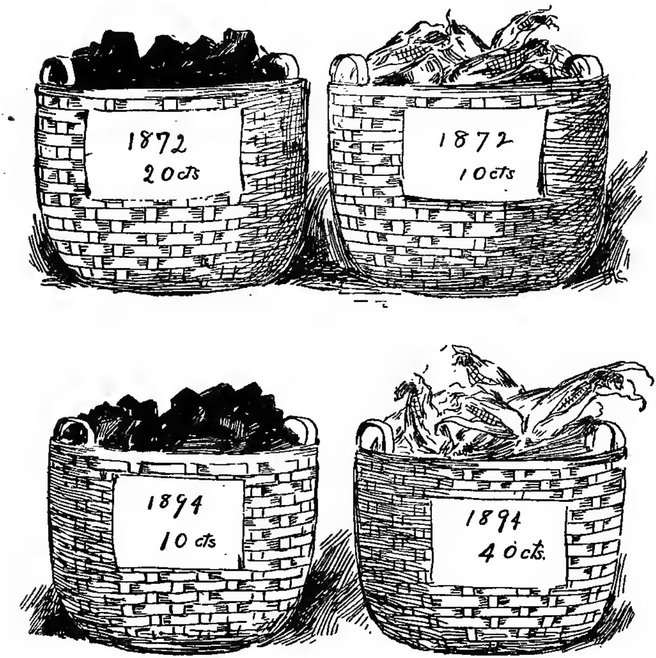
"All quite true, my son. I am glad that you study a little about the farm resources of this land and give

some thought to the greatest sources of farm wealth and national and individual prosperity. Now, my son, here's for your fish. How much less did I sell my corn for last year, in Iowa, than in the autumn of 1872?"

"Let me see, father, if I can tell you anything about that. I have heard you give many incidents concerning the early times. You moved to Iowa in 1867, when wheat prices were very high, as the result of the general crop failures in that year in Europe and the small supply of wheat in the United States, due to the crop failure here in 1866. You had run in debt for your farm, giving a mortgage to secure a part of the purchase price and to pay for stock and machinery to raise wheat. Then came the low wheat prices of 1869 and 1870. You could not make your payments. Your mortgage was foreclosed in 1870, but you secured time for redemption. You changed to corn, but had no money to buy stock to feed the same to. Your crop and the prices of 1871 barely enabled you to save your farm by paying up arrears of interest and securing a renewal of loans from your creditors. Then came the very low prices of corn in 1872. You sold your corn for ten cents a bushel."

"Yes, my son, that is right. I sold my corn for ten cents a bushel, although I lived but twenty-five miles from Des Moines, the state capital. Coal was eighteen and twenty cents a bushel and we burned corn for fuel all that winter. Gold was about fifteen per cent

premium, as near as I can recollect, and everything we wanted to buy was very dear. But corn even at ten cents currency or 8.5 gold in 1872 was better than wheat had been in 1869 and I stuck to it, although I



INCREASING PRICES FOR FARM PRODUCTS, AND DECREASING COST OF FARM PURCHASES IN IOWA SINCE 1872.

had to ask renewed favor from my creditors. In fact I should then have lost my farm by foreclosure as in 1870 but for the fact that I had borrowed the money of an old New England friend who wanted to help

me. Ah, those were tough times, indeed. I shall never forget them. But were those low prices for corn due to the demonetization of silver to which you ascribe with Coin all the evils of life to-day?"

"No, father. That was before the silver legislation of any modern nation with the exception of the act of Great Britain in 1816."

"But, my son, I have never seen such hard times as those were, and no other industrious farmer in Iowa has since 1873. If the silver legislation of 1873 is the cause of the changes which have fallen to my lot financially since that year, I am very thankful for it, and I know thousands of farmers in the corn-growing states of the Union will say amen to my prayer of thanksgiving."

"We truly have reason to be thankful for the changes in the prices of such farm products as corn since 1870. Where, with one or two exceptions in my town, corn was sold from 1870 to 1877 for ten to twelve cents a bushel, we have the last few years received from thirty to fifty cents a bushel. Where coal cost us twenty cents a bushel in 1870, we can now secure it for ten cents. The corn that would in 1872 purchase 2.5 bushels of coal will now buy a ton of the same fuel. Where two loads of corn barely sufficed to buy a load of coal in 1870, one load of corn will purchase from four to five loads in 1894.

"Ah! But father," said the son, "you are reasoning from your personal experience. You are basing an

argument upon the experience of yourself with corn prices in a single year. You will remember that Mr. Coin called attention to that matter. His definitions excluded the reference to any such prices as those of 1872 for corn."

"Quite true, my son. Mr. Coin did lay stress upon the 'average' value of the various kinds of property to be considered. To eliminate the minor and incidental variations due to localities, let us take the home value of corn for a wide section of our Union. Here let us take Ohio, Indiana, Illinois, Iowa, Kansas, Missouri, Michigan, Wisconsin, Minnesota, North and South Dakota, and Nebraska. They are twelve states lying side by side, covering an expanse truly imperial in its character. Their territory is about 1,500 miles in length from east to west and 700 miles from north to south. Their corn product for the past five years exceeds the value of all the wheat or cotton grown in the United States in the same period. These states by the magnitude of their crops establish the price of corn in the United States. If we would find the effect of the silver legislation upon the income of the corn producers of the world, it cannot better be ascertained than by studying the farm values in these twelve great Western states. Again, that we may avoid the variations due to small crops and high prices in some years and large crops and small prices in others, let us mass our figures for corn in these states into five- and ten-year periods. The following table presents

the condensed corn statistics of the twelve states named for the last twenty-five years:

Years.	Produce, Bushels.	Farm Values of Corn in Currency.	Average Currency Value Per Bushel.
1870–1874	3,068,393,000	$1,160,073,980	37.8 cts.
1875–1879	4,822,640,200	1,397,138,016	29.0 cts.
1880–1884	5,290,449,192	1,978,820,424	33.2 cts.
1885–1889	6,175,137,000	1,733,845,695	28.1 cts.
1890–1894	5,243,462,833	1,909,110,561	36.4 cts.
1870–1894	24,600,082,225	$8,178,988,676	33.2 cts.

"Average gold value per bushel for 1870 to 1879, 30.0 cents; for 1880 to 1889, 32.4; for 1890 to 1894, 36.4 cents and for 1870 to 1894, 32.3 cents.

"May I ask you, father, your authority for these figures? I ask, since they seem so very different from those which Mr. Coin presents, and I am sure his figures are correct, since I have looked them up in the authorities from which he claims to obtain them."

"The table is compiled from the Statistical Abstract of the Bureau of Statistics of the United States Treasury Department, to which Mr. Coin refers as a standard authority on American prices. The variation or difference which you notice between Mr. Coin's figures and mine arises from this fact: Mr. Coin's figures are all for what I will call the markets of the consumers. They do not represent the value of wheat or cotton in the different years to their producers. The figures given by me in this table exhibit the value of their corn crop in the twelve states named to the farmers therein. They are based upon returns by the farmers

themselves to the United States Agricultural Department. Before trying to ascertain the significance of the data in this table permit me to call your attention to one fact about the figures representing the average values per bushel and the total crop values for the years 1870 to 1879. They are what are known in the commercial world as currency values as contrasted with or distinguished from gold values. Can you explain, my son, the difference between the two?"

"I think I can, father. During the war of the Rebellion and for many years thereafter, until January 1, 1879, paper money, in which all ordinary commercial transactions were conducted, was received with more or less uncertainty by the general public. A paper dollar was worth less than a gold or silver one. In the markets of the United States such a paper dollar would purchase less of the commodities in daily use than would the gold dollar, and hence the prices of any commodity, as corn, when expressed in currency or paper money, were greater than when expressed in the gold or silver money of that period. Thus from 1874 to 1875 the average paper dollar was worth a little less than eighty-eight cents in gold. As a result, while a bushel of corn would in those years have sold in the given states on an average for 37.8 cents, as shown in the table, it was worth only 33.1 cents in gold. And in the same way, twenty-nine cents, which you have as the currency value of corn in the years 1875 to 1879, were the equivalent of 27.5 cents in gold in those years."

"Permit me one question more in this connection, my son. If we are to study the effect of the silver legislation upon prices of farm products, which must we choose for purposes of comparison, the gold or currency values of 1870 to 1879, and why?"

"We must choose the gold prices, father, and for the reason that in studying the effect of that silver legislation upon prices, we are inquiring how much more or less gold a given quantity of any commodity will purchase now than it would before or at the time of the first enactment of that legislation. We cannot find an answer to that inquiry save by reducing all currency values to a gold basis. This only applies to the values of 1870 to 1880 in the tables, since after 1879 all currency values are gold values, a gold, silver and paper dollar being interchangeable."

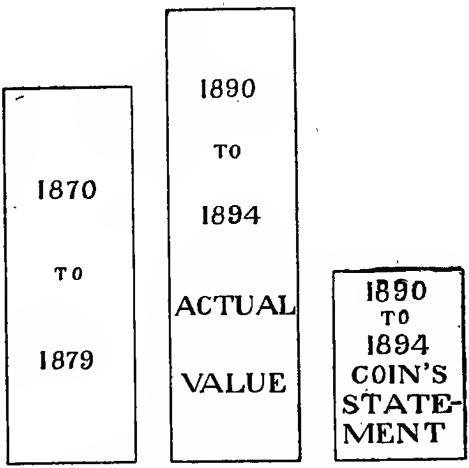
"You are quite right, my son. Now we are ready to study our table of corn prices and see what effect, if any, the silver legislation of 1873 has had upon the value of corn raised by them to the farmers of these twelve Western states. The first thing to be noted is, that when comparing the average gold values for ten-year periods there has been a regular and continuous advance since 1870. The average home value for corn in these twelve states was in 1880 to 1889 2.4 cents higher per bushel than in the ten years preceding, and that for the past five years was 6.4 cents higher than for 1870 to 1879 and four cents higher than for 1880 to 1889. Do these figures bear out Coin's asser-

tions, made without any appeal to facts to sustain them, that the farmers of the West are now obliged to sell everything at one-half its price in 1870, or before what he calls 'The Crime of 1873.'"

"No, father; far from it. They show the very opposite. They prove that the average farm or home value of corn in these twelve great states was in the past five years 6.4 cents a bushel higher than in the ten years 1870 to 1879, in which occurred the legislation which Coin calls 'The Crime of 1873.' This is equivalent to an average advance in the home or farm value of this great cereal in the twenty-five years last past of twenty-three per cent. These figures, therefore, contradict the theory and statement of Coin. They show that over a territory almost the size of Europe, an amount of corn worth more than the cotton or wheat crop of the nation actually advanced in twenty-five years in home value twenty-three per cent, while the theory called for, what Mr. Coin asserted had taken place, a decline of fifty per cent."

"Let me illustrate, my son, the contrast between the facts about home corn value in the West as they exist and as they are asserted to be by Coin. I will do it by three diagrams drawn to scale. The first represents the gold value of corn as it averaged at the farms in the West from 1870 to 1879. The second exhibits that value for the past five years and the third shows it as it would be according to Coin. I might illustrate the difference between the

facts of Western farm life and the fiction of Coin's imagination in another way. I have at home a bin of corn twenty-two feet each way. This is the space into which Coin stowed away all the gold of the world. The bin full of corn would from 1870 to 1879 have purchased enough twenty-dollar gold pieces placed side



Average Farm Values of Corn 1870 to 1879 and 1890 to 1894 and Coin's statement of this latter

by side to have extended eighteen feet. In 1894 Coin's theory would have had the corn sell for enough twenty-dollar gold pieces to have reached nine feet or less than half-way across the bin of corn. As a matter of fact it did sell on an average during the years 1890 to 1894 for enough gold twenty-dollar coins to reach

from side to side of the bin, twenty-two feet in length. Now, I will ask, Do these figures show that the farmers are better off or worse off in these twelve states on an average than they were twenty-five years ago?"

"They indicate that so far as the home value of this great crop is concerned they have improved their lot in twenty-five years twenty-three per cent."

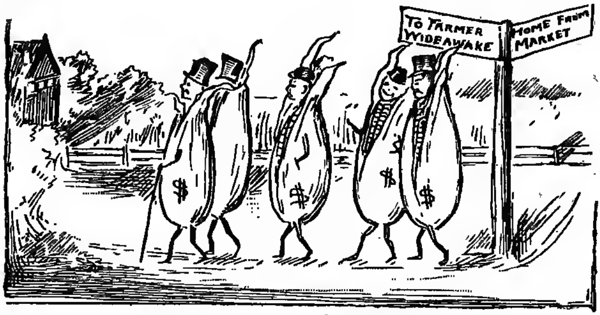
"Quite right. And thus my experience, which you thought was exceptional, is the experience of the average farmer in these twelve states. But what changes in the methods of cultivating corn have been made in the past twenty-five years that affect the cost of raising that cereal and thus the net profit of the farmer?"

"The farmers have introduced better plows, better corn planters and other improved farm machinery so that a man can now raise a bushel of corn with an expenditure of from one-half to two-thirds the labor required in 1870."

"Now, then, my son, we have found in these Western states within twenty-five years two great changes in the raising of corn. The home value of that cereal has advanced twenty-three per cent and its cost of production has decreased over thirty-three per cent of the figures for 1870. This is a net gain of about eighteen cents a bushel. Who has profited by this gain? Into whose pockets has that gain gone?"

"Let me see," said the young man, scratching his head. "The farmers pocketed the increased home value of twenty-three per cent, but I guess the railroads

gained the percentage due to the introduction of better machinery and better methods of cultivation. No, they did not. For if they had gained it, the value would have declined and we should have seen how it actually advanced. For the same reason we know the consumers did not gain it and hence we must admit that the farmers have pocketed the whole result of



CORN FARMERS AS THE ORIGINAL "GOLD BUGS."

these two beneficent changes in corn-raising in Western America."

"The corn-raising farmers, then, my son, are at present pocketing a nice sum of gold each year, according to your statements and those of Coin's, as the result of the silver legislation of 1873. Those farmers, therefore, may be pictured as 'gold bugs' whose golden grain has been turned into gold and they themselves stamped with the almighty dollar. Why is it that you silver men never call corn by name or speak of the experi-

ence of the corn farmers in any of your talks about prices and the results of silver legislation, but rail instead about gold and 'gold bugs' and everything golden like this golden grain? Is the corn-raising farmer the original 'gold bug' against whom you rail so much in the interest of the owner of the mines of the white metal, or why is it that you all seem to be as afraid of corn as the devil is of holy water?"

The young man did not answer. His father, referring to the facts concerning the advancing prices of corn since 1873, said:

"According to these facts the net gain to the farmers in these twelve states by reason of the economic, industrial and financial changes which have taken place in twenty-five years amounts to eighteen cents a bushel, or sixty per cent of the average gold value of corn from 1870 to 1879. Will you kindly calculate for me, my son, the total amount of that gain to the farmers in the past five years?"

"Let me see, father. There were in the five years 1890 to 1894 5,243 million bushels of corn raised in these states. This at eighteen cents a bushel would give the farmer a gain of 943 million dollars."

"Now, tell me, my son, what part that sum is of the gold which is estimated to exist in the world at present?"

"It is about one-fourth of that gold."

"How large would an elevator need to be to hold this 5,243 million bushels of corn? How large would it have to be if constructed 100 feet high?"

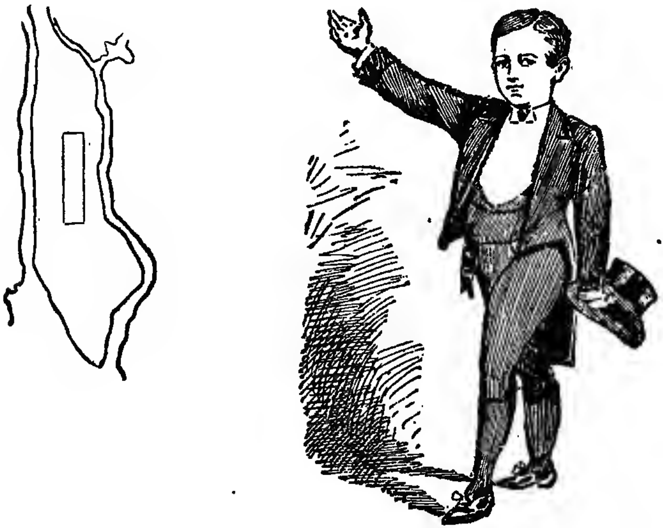
The young man figured a minute and replied: "It would cover an area of 2.5 square miles and its contents would also suffice to bury Manhattan Island fifteen feet deep with corn."

"Now, my son, you have been to Mr. Coin's school and learned how easy it would be for a few men to corner the gold of the world. Suppose we set out to corner this corn."

"Are you crazy, father? Don't you know that the average corn crop of a single year for 100 miles about Chicago is so great that only fools have ever tried to corner it save for a few days only? How, then, can you expect to organize a corner upon all this corn crop of these states for five years, a quantity of corn so vast that the corn purchased for any grain corner ever manipulated here in Chicago would appear like an ant-hill besides a mountain as compared with it?"

"But," said the old farmer, "this corn, which you say cannot be cornered, is worth only one-fourth of the value of the gold in the world, that Mr. Coin has shown can be easily cornered because it can be massed in a space twenty-two feet each way, no larger than my corncrib at home. But gold and silver represent wealth, and it is not so easy in practice to get a corner on great aggregates of riches as it is to talk about it. It would be infinitely easier to corner one crop of corn than five. But it would be vastly easier to corner a mass of corn burying Manhattan Island out of sight than to corner the wealth represented by the gold or

silver in the world. This follows from the fact that it is easier to move $1,000,000 of gold to break a corner in that commodity than it is to move $1,000,000 of corn to break a corner in that cereal. If you question these statements, please tell me how men can



COIN CORNERING ONE-FOURTH OF THE WORLD'S GOLD, IN THE SHAPE OF CORN COVERING NEW YORK 15 FEET DEEP.

corner the riches of the world in the shape of gold when they cannot successfully corner a small part of the same riches in the form of corn, or, in other words, how they can corner the larger while they are powerless to corner the lesser?"

"I can't answer your question," said the young man. "I will have to ask Mr. Coin the next time I have a chance to state the case to him."

"When you see him and speak to him about it, tell him when he starts out to corner this pile of corn covering Manhattan Island I would like to see him. After that, state the case of the corn farmer of the West fully to him. Tell him how the farmers of these twelve states raised 7,891 million bushels of corn between 1870 and 1879, worth at the farm 2,557 million dollars in currency or on an average thirty cents in gold per bushel. In 1890 to 1894 they raised 5,243 million bushels with a farm value of 1,909 million dollars, or 36.4 cents a bushel. In the twenty-five years the average price per bushel had advanced 6.4 cents in gold and the farmer had lessened the labor required to raise a bushel of corn 11.6 cents. He had thus improved his lot to the extent of eighteen cents a bushel. This amounts to a total gain for the farmers of these twelve states of $943,000,000. State this to him. Tell him this change has come since the demonetization of silver. He has said all changes in the value of farm products are due to the crime of 1873. After you have stated these results, ask him in his own words, if such be the fruits of the crime of 1873, 'Who can estimate the effects of these to the commerce and business of the world? In what language can we characterize the men behind the scenes, who, knowingly, are directing this world to the gold standard

and producing such unprecedented changes for the agriculturists of such a vast empire as is contained in these twelve states whose actual farm prices for twenty-five years you thus place before him?' "

"But, father, he will think I am insulting him if I ask him such a question."

"Let him be insulted then. He but insults the intelligence of the masses when he asserts in the face of the figures already given that the silver legislation of 1873 has reduced the value of all farm products in America one-half. There has been no reduction in corn values to the farmers of the United States since 1875. Instead there has been a steady and continual advance for twenty years. Coin advocates plunging the United States into a war with Great Britain over this money question. If you or others are inclined to follow that advice, remember General Sherman's definition of war. 'War is hell,' the great commander said. Coin advises men to cease growing corn and raise hell. It's a poor crop to cultivate, let me tell you. To raise hell either in the form of war with England or in the shape of financial confiscation such as Coin advocates won't pour any additional wealth into the keeping of the farmers or of any other class of this land. Coin appeals to the might of hate in human hearts. He calls for volunteers on the side of human passion and says in the long struggle of might with right the former has generally triumphed. On the strength of that assertion he bases his hope and prophecy of success in raising hell. Misled by such appeals

to hate and passion, the American people may possibly see the door of hell yawn open before them in the future; but as it closes, as close it will after a season, the last vision they will have as they peer into the

A LAST VISION OF COIN'S HELL.

vanishing gloom will be the forms of Coin and his associates lost in the flames which they have conjured up out of the seething abyss of falsehood and national and individual dishonor.

CHAPTER II.

THE RUIN WROUGHT BY SILVER LEGISLATION.

"How much pain have cost us the evils that have never happened."

—*Thomas Jefferson.*

One of the most difficult things for a young man to learn after he has been at school awhile is that his father knows just a little bit. The young man is full of conceit and hates to have the old man with his facts and hard sense puncture his wind-bags and let out the gas. It was thus with young Hayseed. He had been in college nearly two years. He was in that period of school days that years ago gave to such as he the name of sophomores or wise fools. He had been unable to think of anything to offer in reply to the facts about corn prices and the condition of the corn raiser which his father presented. He was not satisfied with himself. He wished he could be as well contented in that respect as Coin. He went to bed the night after the conversation with his father with that idea in his mind, and had a strange dream in which a passage of scripture, that Coin had placed on the fly-leaf of his school book, issued June, 1894, played in connection with his frame of mind on retiring a

prominent part. In his dream he saw his father on his knees searching in a lot of reports of the Government, of boards of trade, and other sources of exact information, and saying, "Oh, give me a little more light on these uncertain subjects. Amid so many uncertainties lead me to a little clearer understanding of the sources of national and individual prosperity." His father was at the time in a closet in the temple of knowledge by himself. On a public corner was Coin, saying, "I thank thee, O Lord of Heaven and Earth, that I am not like the poor publican and farmer there. I need not facts, since I have mastered the science of finance. The all-sovereign power of financial law cares not for facts concerning farm prices and why should I?" (For illustration, see page 3.)

"Greeny" when he awoke was at first not a little disturbed by his dream. He began to be unsettled in his mind. After dressing, he picked up Coin's latest book and read. His distrusts vanished. Again he saw the truths of finance face to face and not colored and distorted by being beheld through such an opaque screen of stubborn facts as his father had held up between him and those truths so ably expounded by Coin. After having read Coin for an hour he was ready to renew the conversation of the night before, when his father came in from his morning walk, and together they went to breakfast. He began the conversation by saying:

"Don't you think, father, that this is a pretty good breakfast that we have before us? This is a first-class

restaurant. How much wheat sold in Kansas would it take to pay for this meal?"

"Probably two or three bushels, according to our appetites or fancy," said the old man. "Some men spend here for a single meal, including wines, the price of twenty bushels of wheat or corn in Kansas."

THE KANSAS FARMER IN A CHICAGO RESTAURANT.
[From Coin.]

"Does not that prove, father, what Coin said about the increased cost of everything the farmer wants to buy?"

"This very meal is the best argument possible in opposition to Coin's theories and statements. Look

at the hotels of Chicago, with their accommodations for thousands upon thousands. They are supported in magnificent style. At the Palmer House it takes one hotel employe for every two guests. Then there are all the splendid furnishings and buildings. They all cost money. Twenty-five years ago Chicago could not support such a hotel. Money was not plentiful enough. It was too dear. Men did not have enough of it to afford such a hotel. When the present Palmer House was first erected after the fire, who ever heard of a farmer patronizing it? But go there this day and you will find on its register the names of from twenty-five to fifty farmers and stockmen from different parts of the United States. There are other hotels here, first class in all their appointments, that cater especially to the patronage of farmers and stockmen. Twenty-five years ago these farmer patrons could not afford such hotels any more than I could have afforded at home or in Chicago such a meal as we are now enjoying."

"But, father, there can be but few farmers stopping at Chicago hotels at any time."

"There is where you are mistaken, my boy. Take away the farmer patronage and you would shut up one-fourth the hotels of this great city, hotels but few of which it were possible to find in 1870, because the farmers and others could not afford to patronize such as these."

"But, father, why can you not look at the effects of the crime of 1873 as they actually are?"

"Why do you call the silver legislation of 1873 a crime, my son?"

"Because it has brought hunger and pinching want to widows and orphans. It is a crime because it is degrading the honest yeomanry of our land. A crime because it is every year making it more difficult for the average man and woman to get a decent living."

"May be you are right, my son. But does the food people eat have any relation to this hunger and pinching want of which you speak?"

"Yes, certainly."

"Then if the working people and the farmers as a class are being brought to hunger and pinching want, as you and Coin assert, they cannot purchase as much nor as good food as before? Am I right?"

"Yes."

"Now, right here, let me call your attention to one little item. Think back as far as you can. You were born in 1870, but you can remember something of the way we lived in 1875. Did you at that time ever see any canned goods, peaches, plums, and the like on our table?"

"No, I don't think we ever had any."

"We did not; neither did any other farmer in our section of the far West. No dealer had on his shelves a single variety of such canned goods. They were just beginning to introduce such goods in 1870, as a luxury for the rich in our large towns. Tin plate was at the time imported in small quantities for roofing, hot-air pipes and tinware for family use. To supply

the tin plate of our nation seemed a matter of no importance. How is it to-day?"

"Why, father, this tin-plate business has become a subject for great political parties to fight over. Men now see and know that we are using in the United States annually over one pound of tin plate for every bushel of wheat that we raise."

WHAT THE CANNED GOODS OF THE UNITED STATES WILL BUY.

"Yes, and the greater portion of this tin plate goes to make cans to supply a trade that hardly existed in 1870. Let us see, my son, if we are able to form some idea of the extent of this canned goods trade! If we are, we can see how the average man has drifted away from hunger and pinching want, concerning which Coin so fondly talks. The tin cans in the United States

made each year will now hold all the alcoholic liquors, including beer, that are consumed in our land. Those cans will also hold on an average the wheat or the raw cotton of the United States that is annually exported and the value of their contents will greatly exceed the value of that of exported cotton or wheat, or that of the wholesale value of the alcoholic liquors consumed. Then note the increased use of fruits. Bananas, that I as a boy in Central New England never beheld, are now as common and cheaper than apples. The Illinois Central road in certain seasons of the year ships north from New Orleans as many carloads of this fruit a month as any one of the Iowa roads ships of wheat in a month of its busy season. And so I might go on and refer to oranges and grapes from Europe and the fruit from California. All are parts of the daily food of our farmers and of our common laborers in all quarters of our land. One more question, my son, in this connection. How does the number of watches manufactured and sold in the United States compare with that in 1870? Give any fact about watches and other articles of universal luxury among farmers and laborers that you have learned since you have been here in Chicago."

"I visited the watch factory at Elgin just before the panic of 1893. They were expecting that year, the manager told me, to make more watches than could be found in the whole United States in 1870. This factory was only one of a dozen large watch-making establishments in the United States. Watches

are but a type or illustration of the increased use of jewelry and articles of personal adornment, fine clothes and fine furniture of every description."

"Just so, my son. The facts given about canned goods for the table, fruit, watches, and all the other articles of common every-day life all go to show how the people live at present as contrasted with twenty-five years ago. If the people are being crushed as you say; if the silver legislation of 1873 has caused this change in the food and clothes of the nation; if you call this ruin and destruction, I would like to know what prosperity would be if we should ever find it. The truth is, my son, hotels, the use of canned goods, fruits, watches, and pianos, organs, books, and all articles of the kind have multiplied in the past twenty-five years in this country like the leaves of the forest, and they all cost money. Here are a few things now used by the farmers but unknown to them before 1873. To pay for these, money must come from some source. It can only come from a people with increasing wealth and growing resources. It can only come where the purchasing power of labor and of everything that labor creates, as wheat, corn, and oats, is increasing?"

"But, father, you know that cut nails have gone down in price from $3.86 per hundred in 1859 to $1 in 1895. Pig iron, once $23.38 a ton, is now $12, and all other values have decreased like these."

"All true to a certain extent, and yet when you are talking of the nation's ability to purchase, you, as Coin, are trifling when you select one such little article and try to measure the income of the nation

by its price. The income of the nation is what we are interested in. It is measured indirectly by the amounts of its purchases. The price of cut nails, or cotton, or wheat tells us nothing about the purchasing power of the land. That is to be found in the increased or decreased sales of commodities such as canned goods, watches, pianos, and books, the increased sum paid to hotels and for excursions to Europe and to educate the rising generation. Turning to any one of these and a hundred other sources of expenditure, we find our nation paying out double the money, and in many cases ten and one hundred times, what it did in 1873. Such payments can only be made out of an increased income and not a decreased one, such as you and Coin say has fallen to the lot of the producers. They prove in their way the correctness of my deductions given you last night, that the farmers' increased profit on corn the last five years in these twelve states was 943 millions of dollars as compared with the ten years 1870 to 1879. In the facts then presented I called your attention to the increased net income of the farmers. Now I call your attention to the increased expenditures of those farmers, expenditures only possible when there exists such an increased income as I pointed out last night."

"But, father, you should look to the ability of the people to save as well as to spend."

"No, my son. The great trouble of the past ten years is we have not spent as much, as a nation, as we ought. The income of this nation has been so great

that men have not learned how to spend a proper amount. We have accumulated in the years since 1880 an amount of wealth equal to the accumulated savings of Europe from the birth of Christ to the year 1770. This saving so vast cannot be made out of a decreasing income, a decreased purchasing power of labor or commodities. It has only been rendered possible by an unheard-of change in the opposite direction. It comes only when caused by, or the accompaniment of, the decreased value of money, of gold, if you please."

"But, father, you overlook the poverty, want of employment, and suffering of the world."

"No. You are the one that really overlooks the evils of that kind. The trouble is not that we have not produced enough for all. We have failed to distribute it in a proper way. There are great evils and wrongs in the world that justly claim and should receive the attention of all tender-hearted and noble men and women. They, however, seem to have escaped Coin's attention and his gaze is fixed upon calamities that never have existed, upon hunger that has been fed with peaches and cream, and nakedness that has been clothed in sumptuous apparel with watches and diamonds thrown in. His failure to see hunger and suffering where it does exist and to lament over it where it is not, reminds me of Mark Twain crying over Adam's tomb. It is an illustration of Thomas Jefferson's remark of 'How much pain have cost us the evils that have never happened.'

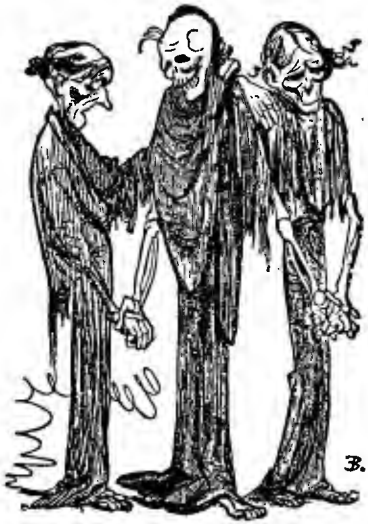
"Ah, my son, we should perceive what Coin and all his school fails to apprehend,—the poverty, misery, and degradation that are in the world,—and not busy

COIN'S POVERTY—FED WITH PEACHES AND CREAM.

ourselves with weeping over the evils that have never happened."

"Where should we look for that poverty, misery, and degradation if not where Coin points it out?"

"Coin, my son, lays all his stress upon the depression in the selling prices of wheat and cotton. Indirectly he thus bids us find the greatest want and misery in the country. Now, I will not deny that many poor men in the country have had a hard and losing battle with the fates, and yet I will say that misery



POVERTY, MISERY, AND DEGRADATION THAT COIN FAILS TO APPREHEND.

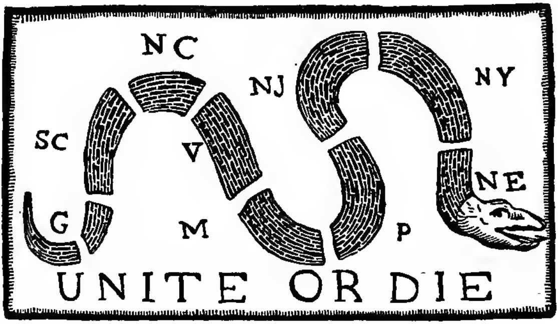
breeds not in the country as it does in town. It needs the city for its home, and there it multiplies like the spawn of the lower orders of creation. Wages advancing more or less regularly in the cities, have since 1860 attracted to those centres of population vast multitudes ill-fitted for the life of a great town. Cities

have multiplied and grown like great sores upon the body politic, and in them are the festering masses of degradation, want, poverty, crime, sin, and misery, that are at once the despair of statesmen and the burden of the philanthropist. All this Coin misses while he points us to the comparatively hard times of the least successful among our farmers."

"But, father, you must know that the skilled workmen in towns who have secured the greatest increase in wages between 1860 and the panic of 1893 were members of trade unions. The unskilled and unorganized workmen have been unable to obtain much actual advance in the past twenty-five years."

"Quite true, my son. But the toilers fitted to succeed in a modern town are men and women who unite with their fellows and thus become able to wrest a fair share of the benefits of progress to themselves. It is otherwise with a vast army of those who flock to town. Isolated and single-handed, they strive to contend with the Moloch of modern Mammon in the form of organized capital. The secret of success in the battle of life in our modern cities is for the toilers that which the colonies perceived in the struggle 100 years ago with Great Britain. It is union. Our fathers in 1774 pictured the necessity of union by an emblem of a snake cut into ten pieces with the motto, 'Unite or Die.' Here is the old emblem. The city toilers who have perceived the wisdom of the above advice have won a fair success. They have seen wages more or

less regularly advancing for twenty-five years. Employment has become more regular. But for those without union it has been otherwise. Their fate is symbolized by death. The unorganized toilers of our modern cities in great numbers have seen their lives wrecked and they themselves become the driftwood of want and degradation, filling the slums of our towns with a sodden mass of misery, out of which are re-



HERE IS THE OLD EMBLEM.

cruited our armies of Coxeyites, tramps, beggars, vagabonds, and criminals. They thus become such evils as to threaten our civilization unless a remedy is found."

"But, father, you seem to overlook the fact that some skilled men, members of labor unions, drift into this army of the unemployed and at last become tramps and beggars. The trade unions make mistakes. They enter at times upon gigantic and ill-advised strikes, which they fail to carry to success. Such failures

mean the permanent ruin of some of their members and their sinking to the lowest depths of degradation. Do not such failures warrant us in condemning these unions, as so many thoughtful people are doing?"

"Labor unions, my son, are composed of human beings, and as such are liable to make mistakes the same as unions of capitalists. In the field of action labor organizations repeat the blunders of organizations of capitalists. The proportion of failures among them, however, is less than that of savings and other banks officered and directed by wealthy capitalists. The suffering caused among the toilers by the great railroad strike of 1894 does not compare with that produced by the failure of some of our savings banks in the past. Why should the rich demand charity for the errors and mistakes of their class and not be willing to extend it to the craftsmen in these unions. The bitterness with which the rich speak of the errors and mistakes of the labor unions comes home to roost in the harsh judgments which so many of the toilers pass upon all the rich and especially upon the bankers. It becomes a factor in the popular discussion of the silver and other money questions. It inclines the organized toilers to take sides against their unjust critics. A fuller discussion will, it is true, correct that first inclination among them, but this tendency of one wrong to create another must be distinctly allowed for in this connection. But I have allowed myself to drift somewhat from what I started to say. I was speaking of the un-

due crowding of people into the cities and its effects upon prices and general prosperity."

"I wish, father, you would be more explicit upon this point. It is one which I have never before heard raised. What relation can this flocking of people to the cities, and especially the undue multiplication of unorganized labor in these cities, have upon prices and general prosperity?"

"I will begin, my son, by saying that the crowd of people moving to the cities in the ten years ending with 1874 was an important factor leading to the industrial depression of that year. More people flocked to the towns than could be legitimately employed there. Hence the want of employment that became apparent in that year. Prices for all commodities fell because the demand for them decreased owing to the number of idle men. The same series of events were repeated in the ten years ending with 1893 and with the same results, although with not quite so marked evil effects upon prices of farm products. In the years succeeding 1874 the prices of all farm products declined. In the past five years only wheat and cotton have thus been seriously affected, and wheat to a lesser extent than corn after 1874."

"That cannot be, father. Everyone knows that you are wrong in that statement."

"Let us see, my son. The average gold home value of corn in the twelve Western states in 1870 to 1874 was 33.1 cents a bushel and in the next five years was

27.5 cents. Here was a decline of seventeen per cent. If the currency figures had been taken as the basis of comparison the decline would have been over twenty-three per cent. The corresponding decline for wheat in the same states was from 71.3 cents a bushel in 1885 to 1889, to 64.5 for the past five years, or 9.5 per cent, or barely one-half the earlier decline of corn. You see, my son, that I am right. Now as the undue flocking of the driftwood of humanity to the cities in the ten years ending with 1874 was a great factor in depressing prices from 1874 to 1878, so a corresponding movement in the ten years ending 1893 became a controlling factor in the low prices of the present time."

"But, father, we had good times for several years after 1880."

"Quite true, my son. But those good times did not come to the nation; the unemployed of our cities did not secure regular employment until a vast army moved from the cities to the country. That movement began in 1874 and by 1880 it had reached its maximum. In the years 1870 to 1880 the number of farms in the Union as the result of this movement increased from 2,659,985 to 4,008,907. A similar movement has begun at the present time. When the balance between the towns and country is restored we shall again have an advance of prices in all commodities, a more regular employment of our workers, as was witnessed in the years 1880 to 1888, and shown in the table of corn prices which I gave you last night. The country will,

however, get on its feet in a shorter period of time than it did twenty years ago, since only wheat and cotton of agricultural staples have declined in prices, while twenty years ago all such staples were sold at figures greatly reduced below those previously prevailing.

"But, father, I must again say you miss the point to which I have been trying to call your attention. You seem to be bound to talk of subjects quite different from those that I have in mind. I want you to say something about gold as gold. Is it not ridiculous to try to measure the property of the world by a pile of metal no larger than your corn-bin, twenty-two feet in each of its three dimensions? Why, the base of that gold pile is less than the size of the wheat-pit of the Chicago Board of Trade."

"Yes, my son. But after granting that, it does not by any means follow that 3,900 million dollars of gold is nothing more than a standing room for a few bulls and bears to dance upon. Dealing with such illustrations a person is led to feel and believe that 3,900 millions of money is a small and insignificant thing. This is the great mistake of Coin. A billion or a half billion is a vast aggregate of wealth. We must get away from Coin's illustrations or we will be unable to apprehend or comprehend in the least all the significance of the farmers' gain the last five years in raising corn in twelve states of our Union, as compared with their experience with that cereal just at the time when the silver act of 1873 was passed.

Let us see if we cannot find something more therein. Tell me, my son, what states in this group have lands whose values are worth 3,900 millions of dollars?"

THE FARMS OF THESE STATES A GOOD ILLUSTRATION OF THE GOLD IN THE WORLD.

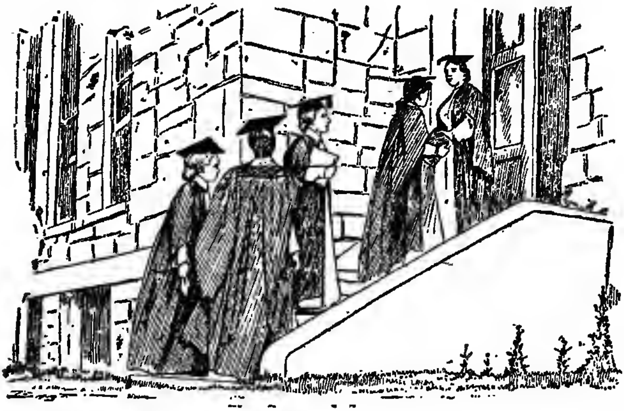
"To make up the value of 3,900 millions of dollars would require in 1890 the farming lands of Missouri, Iowa, Kansas, Nebraska, North and South Dakota,

and Minnesota and Wisconsin. It equals the value of the farm lands of the states of Ohio, Indiana, Illinois, Michigan, and Minnesota. It is a little over one-third the value of all the farms of the United States. You may miss the real significance of the figures for these twelve states. Let me call your attention to this fact. They include in their borders $7,069,767,154 value of farm lands out of the total of $13,279,252,649 which existed in the United States in 1890. You will note that these states have then over one-half the farm property in the United States and are truly representative of the condition of the farm producers of the land."

At this point the old gentleman took up the conversation by saying:

"Now consider for a moment the farms of these states which together are required to balance or equal in value these 3,900 millions of wealth. Those farms stretch for a thousand miles over lands the most fertile that the sun ever shone upon. Turn loose among them all the bulls and bears of the wheat and corn pits of the world and they are lost in the vast expanse of this territory. Their presence and their influence cannot be felt nor seen, and only rarely can be found the vanishing trace of their footprints. Thirty-nine hundred millions of wealth is then something infinitely greater than Coin pictures the gold treasures of the globe. But, my son, after you have traveled, as I have, many times over the broad expanse of these fertile states and tried to form the best possible conception

of the wealth of lands and houses and stock, golden grain and blooming fields and waving trees all bright with sunshine, fruitful with rain and blessed with the gifts of an all-wise Providence, you have not yet seen what even 3,900 millions of dollars mean. As leading to some better idea of that meaning I will ask you to state to me the cost of your school each year, and the amounts being spent yearly by your old playmates in



SOME OF THE 10,000 COLLEGE GIRLS FROM AMERICAN FARMS.

Iowa. Also, give me any facts in your possession about the development of schools in the past twenty-five years."

The young man in reply said:

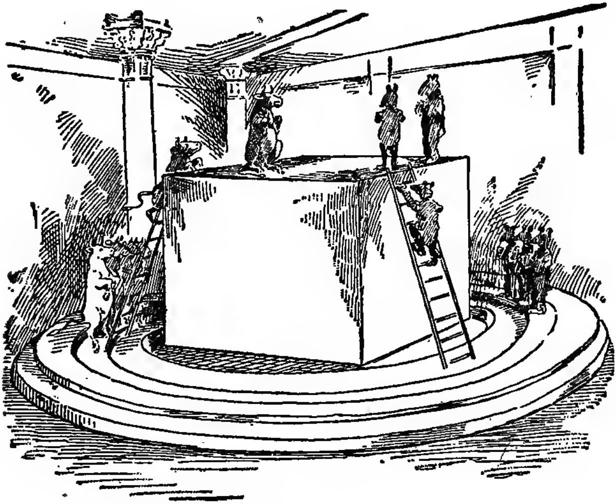
"You, father, are spending $1,000 a year for my education in Chicago. Other parents are spending some $100 and others $1,000 to educate their children. All this from families which twenty-five years ago did

not spend a dollar that way because it could not be had. Not only the farmers' boys but their girls are going to these schools. All the great colleges for young ladies in the Union, with the exception of Vassar, have been opened since 1870. Ten thousand young ladies are now pursuing college courses where not over 500 were twenty-five years ago."

Here the old gentleman interrupted by saying:

"Nearly half of those girls come from the farms, or the homes of retired farmers. Books multiply on every hand. The piano and organ are finding their way with song and tones of harmony, and pictures and art and beauty of adornment shed their radiance over farm homes as never before. Ah, my son, here is something even more valuable than the lands of these princely states that could be paid for by 3,900 million dollars. Education, music, art, culture, and refinement are passing into the keeping of the wide-awake portion of our Western farmers as one and the main result of the economic changes of twenty-five years last past. When you comprehend what is meant by this higher education, this added intelligence of the farming masses, you will begin to see and know what $4,000,000,000 really signifies and how the standing room for a few bulls and bears is a poor illustration thereof to try to impress upon the mind of him who would know the real meaning of finance. The 'smooth little financier,' as he calls himself, may paint a small board crib yellow, place upon it some furrier signs of

bears and bulls and label it 'Knowledge of Finance.' Looking steadily thereat the yellow structure created by Coin is seen to be a painted sham and the gloss and the glow fall off faster in the sunlight of true ideas than Coin can replace with his brush of fancy dipped in the oils of day-dreams."



COIN'S SHAM ILLUSTRATION OF THE GOLD OF THE WORLD.

The young man here called his father's attention back to the subject of corn, about which they had been talking the night before. He said:

"But, father, I grant all you say about the true significance of a great sum like four billions of money. I think you give me a far better idea of its meaning than did Professor Coin, but you have not touched his

remarks upon the subject of corn as he stated it yesterday. He said, you remember, 'Corn does not seek distant markets. This is partly on account of its small price per bushel. It cannot always stand the freight. Its use is not so general as wheat and it seeks a home market. On page 215 of the report of the Chicago Board of Trade for 1872 you will find that the corn crop of the State of Illinois for the year 1872, which controlled the market price for the spring and summer of 1873, was 217,628,000 bushels; while by this year's report the crop of 1893, which controls the present price, was 160,550,470 bushels. The demand for corn now, with nearly double our population, is greater than it was in 1873, and yet in 1873 the corn crop was 57,000,000 bushels greater in this state than it was last year. This overproduction in 1872 accounts for its low price in 1873. The gold standard accounts for the low price now.' "

"I am glad, my son," said old Hayseed, "that you call my attention to this remark of Mr. Coin. He did state some things correctly; as, for example, the production of corn in Illinois in 1872 and 1893. But his other statements of facts are far from the truth. This is the case with his declaration that the use of corn is not so general as that of wheat. In 1890 the per capita consumption of corn was thirty-one bushels, while that of wheat was 5.9 bushels, or less than one-fifth part of that of corn. Corn, as I said, has for the farmers of the United States a home value about

equal to that of both wheat and cotton, and the corn crop of these twelve states alone has a farm value greater than that of all the wheat or cotton raised in the Union. Mr. Coin, if he wishes to have any consideration from honest and intelligent men, must not try to ignore the greatest single staple crop of the world in any such manner. Again, Mr. Coin must not refuse to look facts in the face. He is like the white man who went out hunting with an Indian. They shot a useless buzzard and a turkey. They had agreed to divide their game equally. At the close of the day the Indian asked, 'How shall we divide the birds?' The white man said, 'You may have the buzzard and I will take the turkey, or I will take the turkey and you may have the buzzard.' The Indian scratched his head a moment and asked, 'Why you not talke turkey to me?'"

"Why, father, you by this language infer that Coin employs guile at times in his use of figures and that he twists and shapes his explanations to suit his facts and his facts to suit his theory."

"Exactly! Coin, in giving the figures for Illinois for 1893, seeks to make others believe that the national crop of that year was small while it was large, and says the low price was caused by silver legislation. Here the effect of a large crop is a turkey to Mr. Coin in 1872, but is a buzzard in 1893. He restates the matter so as to have the turkey fall to his lot again and no account is taken of the effect of large crops in 1893

upon corn prices. A large crop was the only factor operating to affect corn prices in 1872. It gave to corn in that year in the twelve great states a farm value in gold on an average of 25.7 cents. In 1893, after twenty years of the results of silver legislation, a per capita crop of corn, much larger than in 1872, has a farm value in these same states of 30.6 cents on an average per bushel. If the effect of a large crop had been acting alone as in 1872, and other things had been as in the earlier years, the farm value of this crop could not have been to exceed fifteen cents per bushel. Some force raised it to thirty cents. Mr. Coin says the price of corn was fixed in 1893 by the silver laws. Be it so. Then we have Mr. Coin saying:

"'Large crops fixed the price of corn at fifteen cents a bushel in 1893. Large crops plus the silver legislation gave it a value of thirty cents a bushel on an average. Hence the silver legislation of twenty years had the effect in 1893 of doubling the price which otherwise the farmers would have received for their corn.'"

"If silver legislation explains and is the cause of the difference in the average farm value of corn in Illinois and Iowa and these other ten states in 1872 and 1893, then the farmers can but ask for more legislation of the same kind, since, according to Coin's argument, it has been the means of doubling the farm value of corn in twenty-five years."

"But, father," said the boy, "you know he never said anything like that, but rather the opposite."

"I know that, my son. I can, however, show the meaning of Coin's general propositions when we come to square them with the facts about the corn prices as they have been for twenty-five years. Coin takes in and deceives people who know nothing about home values of farm products in the past quarter of a century. He may possibly find converts to his ideas among the wheat farmers of Kansas, but he cannot accomplish anything with the old corn-raisers of Iowa, Illinois, or Indiana. His pesky lies stating the smaller use of corn than wheat; his wabbling when he ascribes one cause to a fact in 1872 and assigns a different one in 1893; his misstatements about the actual condition of the good farmers of our country, all look innocent enough to one who is unfamiliar with them, but they are as dangerous in one way as the rattlesnakes which they resemble in so many particulars. And yet corn-raising has indirectly freed the country from rattlesnakes and will be the means of destroying these pesky reptiles which Coin, among others, is letting loose into our midst."

"How is that?" said Greeny; "I don't understand you, father."

"Why, don't you know, my son, that our profit in raising corn comes mainly from feeding it to swine. The hogs are the great enemy of rattlesnakes. The country was full of them when I began farming in Iowa. They kept us in mortal terror so long as we raised wheat, but when we began to raise corn and

feed it to the hogs, the rattlesnakes vanished. The hogs rooted out the snakes and ate them up. How I have enjoyed seeing a hog with one of those varmints in his mouth, shaking the life out of it. But just as the rattlesnakes flourished so long and where we raised wheat but vanished with the corn and the hog, so these pesky fallacies of Coin about fifty-cent dollars, the crime of silver demonetization, and the whole associated brood of vipers in the Northern states have no home where the corn tassels wave as symbols of farm prosperity. If you want to find those vipers working their destruction on a large scale, go to the wheat regions. The wealth that the hogs bring to these great states roots out these financial varmints as the swine themselves rooted out the rattlers long ago. The hog may not have much sense himself, but he is a success in helping humanity to fight snakes. (For illustration, see last page of cover.)

He aids man to convert the golden grain into gold in a steady stream. He is the great modern alchemist, and if you, my son, begin to tremble lest the world's crop of gold may be gathered into the wheat-pit for bears and bulls to dance and fight over and you be left in rags, go to raising corn and set your hogs to killing snakes and turning grain into gold. The hog in the United States will thus in forty years root out and place in the farmers' hands more gold than the calamity howlers say can be found in the world. Do you ask me how the hog can give the farmer more gold than exists? That may be a puzzle to the theorist, but to a practical man it is not.

Hence, I say, my son, if you find yourself perplexed over the gold and silver question, raise corn and let the hog root out for you your share of gold. He always has done it for the farmers who relied upon him. He will continue to do it. What the nation needs now is a repetition in the nineteenth century of that miracle of the first, when Jesus bade certain devils, who tormented men, enter into some swine feeding near by. The devils obeyed and the swine (true friends of man) plunged into the sea and drowned their tormentors. Let the hogs get hold of them and someway or other in the nineteenth century, as in the first, they will destroy all kinds of varmints. Have but a grain of faith, my son. See how the hog will kill snakes and turn golden grain into gold, and free humanity from devils of financial heresy."

By the time the old man had finished his remarks, as above, the hour had arrived for young Hayseed to start for the lecture of Coin, and so the subject was dropped for the time being.

CHAPTER III.

THE LOSSES OF THE WESTERN STATES BY SILVER DEMONETIZATION.

"One of the most striking differences between a cat and a lie is that a cat has but nine lives."

—*Mark Twain.*

Greenman Hayseed was very anxious that his father should meet Coin. So was his father. He himself had been quite a favorite of young Coin. On the day of the last conversation he attended the school of Coin and asked the "smooth little financier" to dine and spend the evening with him. Coin, who had met at young Hayseed's room a lot of enthusiastic silver cranks, gladly consented to be present. The young man invited a half-dozen of his classmates to dine with him and his father and Coin. The young man was so anxious for Coin to meet his father that he could hardly wait the passage of the slow-moving hours. Six o'clock at last arrived and with it came Coin and the others to the rooms, in which young Hayseed had served a fine repast by a local caterer. The conversation soon turned to the subject of money and prices. The young man began by remarking:

"By the way, Mr. Coin, father here has some positive ideas quite different from yours concerning the condition of our Western farmers, and the actual standard of prices of the things purchased and sold by them. We had a long talk last night and this morning about corn, and the prices which the farmers of Illinois and Iowa have realized for the same during the past quarter of a century. I wish you would convert him to our way of thinking."

Coin replied: "Possibly your father does not understand our position. He may not know or be familiar with the legislation which has so disastrously affected the civilized world. Permit me briefly to state the same. The value of the property of the world, as expressed in money, depends on what money is made of, and how much money there is. All writers on political economy admit the quantitative theory of money. Common sense confirms it. So if the quantity of money is large, the total value of the property of the world will be correspondingly large as expressed in dollars or money units. If the quantity of money is small, the total value of the property of the world will be correspondingly reduced. Property measures its value in money, and money measures its value in property. Money may increase in value by reason of its scarcity. When this is the case it brings more property, property brings less money.

"In the same way I understand," said the old gentleman Hayseed, "that whenever property brings more money it is because property has increased by reason

of its scarcity or the relative demand therefor, or money has decreased by reason of its increased relative abundance."

"Your understanding of the subject," said Coin, "is correct. The same law of supply and demand applies to money in all its forms as applies to any other specific class of property. If a certain number of bushels of wheat is a normal supply for the world's use, and only half that quantity of wheat is produced, wheat is worth about twice as much per bushel as if the normal amount had been raised. A bushel of wheat will buy twice as much money as it would have bought if there had been a normal quantity. This rule applies to money. If there is a normal quantity, it measures its value in property at a certain price subject to supply and demand affecting property only. If a normal quantity of money on a sound financial basis is maintained, values of property and debts with reference to the time of contraction and payment will be equitably adjusted, and fluctuations in values will depend on locality and supply and demand of property, not money. Until 1873 the primary money of the world was both gold and silver at a parity. They were virtually one metal. The demand for primary money was met by a supply of both metals. The relative valuations of property to money and money to property adjusted themselves accordingly. Then came the abandonment of the use of silver as primary money by the United States, followed by Germany, four months later, and then by the Latin union, and recently by India. A new standard of measuring values was set

up. Silver and gold combined were displaced by gold alone."

"Was silver displaced by gold in Asia or the Spanish American states?" asked Mr. Hayseed. "Is there not as much silver at present in those countries as the primary money of the people as there ever was?"

"Assuredly!" said Coin.

"Has the United States and the countries of Europe lessened the total amount of silver in use among them as money?"

"No, sir. On the contrary, the total amount of silver in use in the civilized nations of the world has in the past twenty-five years been largely increased, especially by the unprecedentedly large silver coinage of the United States in those years. But I do not refer to the use of silver as money but only its use as primary money, the money of ultimate redemption. Silver was deprived of the privilege of free coinage at the mints and use as primary money. It thus became the property of the world, to have its value also measured by gold. As the standard for measurement in the countries making the change was only one-half of what it had been, it meant the decline in value of all property."

"Here, Mr. Coin, is where I shall have to beg leave to differ with you. You admit that there is vastly more silver used as money now than in 1873. If used as money it aids in establishing prices the world over; at least this is what I claim in this connection. You deny this and claim instead that prices are not

established by the amount or quality of money in circulation and used to pay debts and purchase commodities, but alone by the volume of money that is stamped under one particular system of coinage. This to me seems nonsense, as it would be to say that silver stamped by a die painted white is money while stamped in one painted yellow is not money. Let us honestly see the truth of such a statement as yours when tested by history. Gold and silver circulated as money thousands of years before they were ever coined under free coinage or any other system of stamping those metals in mints. Now, if your statement about the method of coining silver is correct, that ancient use of unstamped gold and silver could not have had anything to do in establishing prices for other commodities. But such use did fix prices as much as any money now aids in establishing them. The stamping of gold and silver in a mint under free coinage or any other system of coinage does not give value to those metals. It merely gives the world notice how many grains of these commodities are contained in a given coin. It is not the method of stamping gold or silver, but their use, that aids in fixing prices. It is the same with all other objects employed as money. You yourself admit that the greenbacks without gold or silver assisted during the war times in establishing prices in the United States. Why, then, do you deny to the silver used as money to-day the power or influence that you ascribe to the greenbacks for twenty-eight years?"

"Greenbacks," answered Coin, "during the days of the suspension of specie payments were primary money and hence assisted in fixing prices. When specie payments were resumed greenbacks ceased to be primary money."

"Just so, Mr. Coin. Then if your theory of primary money fixing prices is sound, the prices of all articles should have fallen at once when by the fiction of law greenbacks, Jan. 1, 1879, ceased to be primary money and became money of redemption. There was no such change, but rather the opposite. Prices advanced after 1879 instead of declining as they should by your theory. You and I, Mr. Coin, differ in this respect. I say if other things, the quality of the money, the general industrial condition, etc., remain the same, the amount of money in circulation aids in modifying or determining prices. If the volume of money increases prices will advance. If that volume diminishes prices will be lower. You say these statements are true only of money put into circulation under free coinage. The test of the pudding is in the eating, as the old proverb expresses it. We have seen how your theory does not square with the facts about money before the general coinage of the precious metals. It does not agree with the known changes in prices which followed the resumption of specie payments in 1879. The facts of those two periods, ancient and modern, do agree with my statement about the relation of money to prices. Let us further apply your statement and mine about money to the condition of affairs to-day."

"I understood you to say that, as the result of this change in money standards, there has been a decline of all values in all countries making it. Do you in this statement mean to include all parts of the United States and all classes of people therein?"

"Yes, sir."

"Then you say that grain prices to the producers of the great West have declined one-half, or that gold in this section will buy of the farmer twice as much grain as twenty-five years ago?"

COIN SAYS THAT PRICES HAVE DROPPED ONE-HALF AND DEBTS REMAIN THE SAME.

"I will state this in another way. Where in 1870 the farmers were able to receive two dollars for a certain amount of grain they now receive but one. As the result of these changes the value of gold increased just as the value of your wheat would increase if the double duty of both corn and wheat were put upon it. Remember that money has no way of expressing its value except by what it will buy. The gold of a gold dollar may double or treble in value, but so

long as it is the unit of value it will still be called a dollar, and when expressed in terms of money no increase in its value will be indicated. It only expresses its value in its purchasing power. If a dollar buys a bushel of wheat during a time when the supply of wheat is normal, and the conditions continuing normal, a dollar will buy two bushels of wheat, then the dollar has doubled its purchasing power."

The old gentleman Hayseed had listened attentively to what Mr. Coin had been saying. At this point he thought it worth while to ask a further question, as follows:

"I agree with you in much of your exposition of the relation of money and the valuation of commodities. We may, however, possibly differ in our application of the same. To discuss such questions understandingly, two individuals must be sure that they are using words in the same way. Before you go further permit me a few more questions."

"Certainly," said Coin. much relieved by the frank statement of the old gentleman. His words lifted from his mind the fear that possibly he might have difficulty in maintaining his position before his admirers with the old farmer.

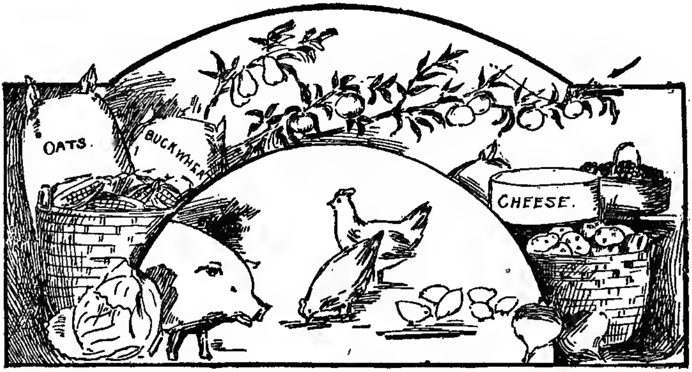
"If I understand you," continued the old gentleman, "you teach that where the supply and demand of both money and commodities continue the same, if money buys more of the commodities, we are to infer that the intrinsic value of money has raised or advanced?"

"You rightly apprehend my meaning," replied Coin.

"Under the same conditions, if money buys less commodities we can infer that the value of money has depreciated, and if it buys the same it is unchanged?"

"You are quite right in your inferences," said Coin, inwardly congratulating himself upon the old farmer's thorough understanding of the subject.

"I infer from the words you use that your system of finance allows for temporary and local modifica-



GOLD DEPRECIATES BECAUSE IT BUYS LESS OF THESE COMMODITIES.

tions of your general propositions. Thus, if one of two different states or great sections of a country had a famine and the other large crops you would expect to find higher prices for grain in the country or section with the famine and lower where plenty prevailed. The purchasing power of money would be modified by the temporary and local variations in the supply and demand of the commodities to be purchased."

"You are quite right," said Coin.

"In the same way, varying supplies of money due to local and transient causes will affect prices. In a time of bank panics men have to sacrifice, as we say; that is, to sell objects below their current price. Money is worth more. Men have to pay a higher rate of interest for its use than in times or places where money is plenty?"

"Yes, that is correct," said Coin, inwardly chuckling at the nice way the old farmer was stating it, uttering at times his own words, and 'Greeny' could hardly believe his ears. His father seemed to talk so different with Coin than he had the night before with him. He began to wonder if it was all due to his own lack of ability to draw out his father. The latter, however, after receiving Coin's reply, continued:

"Then, of two states or sections at the same time with good crops the world over, you would naturally expect the purchasing power of money, due to such a cause as that of the silver legislation to which you refer, to be enhanced more where money for local causes commanded a higher rate of interest than in the one where great quantities of material wealth made interest rates low? You will find it greater in the farming sections of the West than in the money centres of the East. The debtors of Kansas will note the change more than the creditors in New York. The value of crops on the farms in Minnesota will change more than the prices of grains in the great markets of the world like Liverpool or Hamburg. Would they not, Mr. Coin?"

"Yes," replied Coin. These questions were new to him and he began to wonder whither the old farmer was leading him or what he was aiming at. Not understanding him, he began to be a little perturbed.

"In the same way," said Hayseed, "if you wanted to ascertain the effect of a famine in Russia upon prices in Russia, you would have to prosecute your inquiry in that country and not in America, Australia, or Argentina. The Russian famine affected prices in all the countries named, but its appalling and destructive effects as well as its greatest advance in prices were alone to be noted in the famine-stricken district. In America we could note the effect of the famine in the prices of wheat, but the effect of the famine thus to be noted in our midst was the effect in Russia modified by an infinite number of outside causes. To learn the effect of any cause upon those immediately concerned we must not study that effect by proxy, but go to the parties concerning whom we desire information. Do we want to know the effect of any force or influence or legislation in California we must not prosecute our inquiry in Patagonia but in the Golden State. So if we desire to ascertain the effect of the silver legislation of the past twenty-five years upon the producers of the world, we must go to the producers and not into the markets of the consumers. We must go to those producers where the effect of silver legislation can be noted apart from the changes in the cost of production or transportation. For if we seek for the effects of silver legislation where may be found the effects

of other mighty economic changes, it will be difficult to separate the influences of silver legislation and speak understandingly of the same?"

"I think you are right," said Coin, "although I do not fully apprehend your application of it."

"I will be more explicit. Do we want to learn the effect of silver demonetization upon the farmers of Iowa, we must examine prices in Iowa and not those in Thibet or Mongolia, or even Liverpool, New York, or Chicago. If we want to find the effect of that legislation upon the producer, we must ascertain the home or farm value of the produce raised and not the price at which it is disposed of by speculators. We must separate from our inquiry the large or small profits of the middlemen and speculators and of the transportation companies. When we are asking about the effect of one cause upon the producer we must stick to our text and learn how much gold he can purchase with his toil, or, what is the same, with the commodities of which he has to dispose. Do we want to know the effect of silver legislation upon the producers living on our great American prairies, we must go to the farmers and inquire what are the home or farm values of the great staples in the West, and at the doors of the farmers, before they have been modified by the work of the railroad companies or the dishonest and unscrupulous acts of our bulls and bears here in Chicago and in other great markets. Am I not right, Mr. Coin?"

Coin saw that Mr. Hayseed had made no illogical use of his own premises. He had but expressed them a

little more in detail than he himself had. There was therefore but one answer possible for him to make. It was:

"I think you are correct, Mr. Hayseed."

"I am glad," said Farmer Hayseed, "that you can as fully agree with me as I agreed with you at the outset of our conversation this evening. Now let us apply these principles upon which we seem to be agreed to stand. Let us ascertain what has been the effect upon the agriculturist producers of the great West, of the economic changes, including the so-called demonetization of silver since 1870. We will take all the Northern states of our Union between the Mississippi River and the Rocky Mountains, including Missouri, Iowa, Minnesota, North and South Dakota, Nebraska, and Kansas. With the exception of the first, they are comparatively new states, states whose settlement and cultivation have opened up a territory of productive lands so vast that the cereals produced by them give price to American markets and furnish *all* the grain for export from the Atlantic and Gulf ports of our nation. The farmers of these states are *par excellence* producers, and if anywhere in the world can be clearly found the results of the demonetization of silver upon the producers, it is within the confines of these states covering a territory of 516,185 square miles. This is equal to four times the territory of Great Britain and Ireland with the Kingdom of Portugal added thereto. It is substantially the size of the Empire of Germany, Austria, and Hungary, Denmark and Switzerland, or that of France, Spain, and Italy.

In 1890 there was in these seven states a population of 8,890,439, largely devoted to agriculture and the transportation of the products of the farm. In the five years 1870 to 1874, inclusive, these states, according to the United States Department of Agriculture, raised 1,121,613,000 bushels of corn with a home value to its producers of $397,407,270. In the last five years these same states raised 3,187,764,216 bushels, of a home value, at the farms of the producers, of $1,087,545,000. The average gold home value of this corn was in the ten years 1870 to 1879, 25.9 cents a bushel. For the next ten years 1880 to 1889, it was 28.6, and for the last five years 1890 to 1894, it was 34.1 cents. The average gold value at the farm for the whole period of twenty-five years was 29.2 cents a bushel. The figures for Dakota were not separated by the government officials in the reports until 1880 and hence are not included in the foregoing until that year."

One of the young men present at this point said: "Will you kindly express the relative change between the different ten-year periods in terms of per cent, gain, or loss, upon the amounts or values for the earlier years?"

Mr. Hayseed answered at once: "The home value of corn of these seven states averaged for the last five years thirty-five per cent higher than the corresponding values in gold of the same cereals in the years 1870 to 1879, before the demonetization of silver, or before the world could have been affected by that legislation in the least. There is here to be noted a regu-

lar and continuous increase in the averages for ten-year periods instead of such a decrease as Coin's theories call for and as he asserts exists. This continued advance in the home value of corn in these seven trans-Mississippi states is about the same as in the five states of Ohio, Indiana, Illinois, Michigan, and Wisconsin. In those states the home gold values were, in 1870 to 1879, 32.2 cents; 1880 to 1889, 37.8 cents; 1890 to 1894, forty cents, and for 1870 to 1894, 35.9 cents. Here was an increase in the home values of corn for the last five years over those of 1870 to 1879 of twenty-four per cent, or 7.8 cents a bushel. The corresponding increase in the seven states west of the Mississippi was 8.2 cents a bushel. The percentage of gain was somewhat different, but the actual gain per bushel in cents is practically identical. The difference noted is no greater than the possible margin of error in the government estimates."

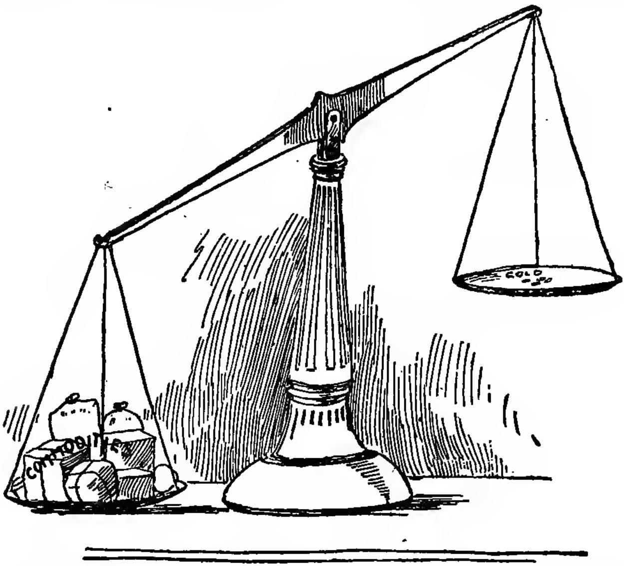
The young man who had once before asked a question, now spoke up, saying:

"Will you kindly tell us, Mr. Hayseed, what light your figures throw upon the relative purchasing power of gold in terms of corn or of corn in terms of gold since 1870?"

Mr. Hayseed answered:

"Corn buys more money on the average in these seven trans-Mississippi states than it did twenty years ago, or gold buys less corn, as we may prefer to state it. It is the same with the states east of that river.

Where once it took on an average 25.9 cents in gold to buy a bushel of corn in 1870 to 1879, it now requires 34.1 cents. The purchasing power of gold has in these seven Western states in twenty-five years so depreciated in terms of corn that where in 1870 ten dollars would buy thirty-six bushels it will now only buy thirty bushels. Commodities in a financial balance are heav-



GOLD UP, BECAUSE CHEAP; COMMODITIES DOWN, BECAUSE DEAR.

ier relatively than they formerly were. Hence the financial situation can be illustrated, Mr. Coin, by one of your pictures. It is a picture, however, which you have improperly explained or labeled. It is this picture showing a balance with commodities in one scale

and gold in another, the commodities being down and gold up. The commodities are heavier than the gold. Gold is the lighter; that is, in a financial balance it is worth less than the commodities which it formerly balanced. The gold has depreciated relatively in importance or value or weight, or the commodities have appreciated; hence the gold has gone up in the balance, as the lighter or less important one is bound to do. The cause which has effected this change I believe you call the crime of 1873. By that I suppose you mean to assert that it has caused the price of bread and meat made from corn to advance for the consumers of the world. Am I not right, Mr. Coin?"

Mr. Coin, thus appealed to, stammered and essayed to speak. For several minutes he had been uncertain whether he was actually listening to a man in the flesh or whether he was not in a dreadful nightmare. After a moment he came to himself sufficient to say, "Have you not made a mistake in your figures, Mr. Hayseed? What is your authority for the same?"

"I have taken them from the Statistical Abstract of the Treasury Department, which I once understood you to say was the best possible authority."

"I cannot dispute that authority." But recovering himself a little from the dazed condition into which Mr. Hayseed's figures threw him, he continued by saying:

"Corn, you know, is an exceptional grain."

"Possibly," said Mr. Hayseed. "We will take the

figures for oats in the same states together with Ohio, Indiana, Illinois, Michigan, and Wisconsin. Here they are. In the five years 1870 to 1874, these states raised, not including the Dakotas, 743,308,000 bushels of oats, with a home value of $246,070,720. The same states, including the Dakotas, in the last five years, raised 2,378,591,968 bushels, worth $710,904,607. The average per bushel in 1870 to 1879 was 26.5 cents in gold. In the next ten years that average was 26.2 in gold. For 1890 to 1894 this average was 29.9 cents. For 1870 to 1894 it was 27.2. Here is to be noted a gradual and continued increase in twenty-five years of 3.4 cents a bushel on an average. This is equivalent to an advance of thirteen per cent of the earlier value. The corresponding advance of the seven states west of the Mississippi River was 3.1 cents."

That you may better see the relation of these average home values of corn and oats in these twelve Western states in the past twenty-five years to the selling price of silver in London, I will place those values and prices in parallel columns. I will in this follow Coin's method of comparing wheat, cotton, and silver. I will use the average for ten- and five-year periods to eliminate the yearly fluctuations due to transient causes:

YEAR.	HOME GOLD VALUES PER BUSHEL.		Price of Silver Per Oz.
	Corn.	Oats.	
1870–1879	30.0 cts.	26.5 cts.	$1.24
1880–1889	32.4 cts.	26.2 cts.	1.04
1890–1894	36.4 cts.	29.9 cts.	.83

"The values of farm commodities are seen to rise steadily with the decline of the selling price of silver. The values of corn and oats rise in a Western farm section, where you said the demonetization of silver would show its greatest effects, and where prices are the best index of the effect of that silver legislation. If the decline of silver prices, if the so-called demonetization of silver has had any influence upon the prices of farm products in these Western states it has been to advance those prices. How do these changes agree with your theory of money and with mine?"

"I will have to admit, Mr. Hayseed," replied Coin, "that this advance in the average home gold values of these great cereals in the West is such as would be expected if all money in circulation in the United States assists in determining prices. It is the opposite of what would result if only what I call primary money aids in thus establishing prices. These figures agree then with your theories about money and discredit mine."

"They show then, Mr. Coin, that your distinction between money and primary money in fixing prices is a myth and a dream of the fancy, as I said at the beginning."

The student, who had twice before interrupted Mr. Hayseed with questions, now said:

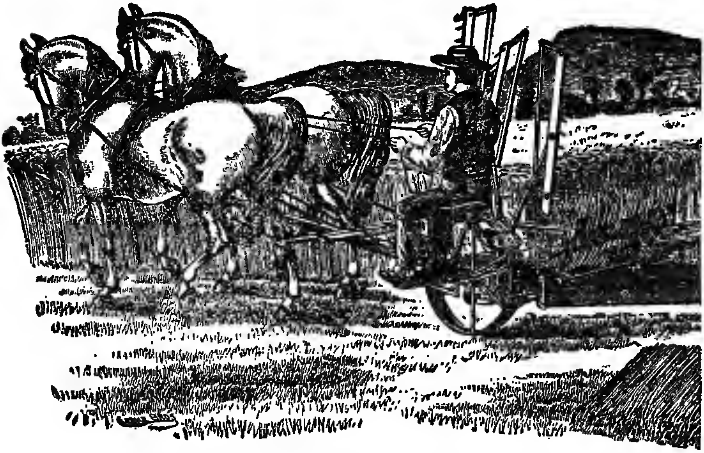
"Please state, if you can, Mr. Hayseed, a little more clearly, the changed purchasing power of gold and oats in these states in 1870 and 1894."

"I will try to comply with your request. Permit me to do it by giving you a concrete illustration. I will take the case of the average farmer in these twelve Western states. By average farmer, I mean one whose experience agrees with the average results shown by the tables to have followed from the raising of grain in these states. Our average farmer is in debt and is obliged to raise money to meet his obligations. His average experience in raising money by the sale of his

THE FARMER'S GAIN IN A TRADE FOR GOLD.

farm products in the ten years 1870 to 1879 and in the five years 1890 to 1894 would have been as follows: In the earlier years he goes to town to see on what terms he can purchase gold to pay for his mortgage. He finds the price of money way up and oats way down. He goes to all the dealers who have money to sell and the best trade he can make requires him to haul 3,774 bushels of oats to market to purchase $1,000 of gold. The same farmer in the average of the years 1890 to 1894 has this same amount of oats to dispose of. He goes to market to see on what terms he can buy $1,000 of gold. The market price of

gold is down or that of oats up. There are a number of dealers who want the oats. They begin to tell him what they will give him in addition to the needed gold as a bonus or premium, or what they will throw in with the $1,000 gold in return for his oats. He finally takes up with the best offer. He hauls his oats to town, receives therefor his $1,000 in gold and also his



A MEASURE OF THE DEPRECIATION OF GOLD.

bonus, a choice of a self-binding reaper or a buggy, articles which in 1870 were sold in his town for $350, but which at present command a selling price of only $125. I should, however, correct myself. The reaper which he received in this trade is a great improvement over the one which he could have purchased in 1870. With the later machine one man can as driver perform all the work that was performed by one man as

driver, a second as raker and eight as binders, twenty-five years before. The reaper or the buggy is the measure of the decline in the value of $1,000 of gold in twenty-five years. When the farmer made this trade for oats he inquired about a corresponding trade in corn. For the amount of this grain which on an average was required to purchase $1,000 in gold in 1870 to 1879, the farmer in 1890 to 1894 could have received a little more than for his oats employed in the above described transaction."

After making the foregoing statements, Mr. Hayseed turned to Coin and said: "Now, Mr. Coin, be frank with us. Do not oats and corn in these states on an average have an enhanced value as compared with the condition of affairs twenty-five years ago? Is not the purchasing power of these farm products greater relatively in terms of gold than in the earlier years?"

Mr. Coin had been thoroughly surprised by Mr. Hayseed's figures of home values of corn and oats in these twelve producing states of the West. He had always quoted the prices of wheat in some one or other of the great markets for the world's consumers, like New York or Liverpool. He had never been obliged to look the producer's figures squarely in the face before this occasion. He could not collect his senses fittingly to reply when the old farmer gave him the farm prices of corn for these Western states. But it was otherwise after he had listened to the figures for oats.

In reply to Mr. Hayseed's question, he said:

"These twelve states make up but a part of the Unted States, and the experience of the farmer therein may be and is exceptional. We must be guided by the general rule and not by the exceptions."

"But these states raise over one-half the grain and produce over one-half the meat that is marketed in the United States. In these states the demand for money is greater than in the other states of the Union. The supply of money is less. Money thus commands a higher rate of interest and hence, according to your theory, Mr. Coin, we should have the reduction of farm prices due to silver legislation greater than in the older parts of the country."

"That is true, but I must insist upon the exceptional character of these states. They may raise over half of the farm productions of the United States, but they produce but a small part of the grain of the world. We must go to all the nations of the world and not to the farms of a few states for our index of changes in prices since 1873."

"I will agree with you here, Mr. Coin, but we must go to the farms of the great producing countries and not to the place where the consumers purchase the supplies. We must go to the farmers of Argentina, Russia, and India, as well as to the farmers of our twelve Western states. Can you give us the average farm prices in gold of these grains in these countries?"

"No, sir. There are no available figures for the same."

"In the absence of these figures I will ask you a few questions. Is not the cultivation of grain increasing in those lands faster than the population? Where there is such an increase, men in all ages, in all business enterprises, infer that there is profit. So we may infer that in the great agricultural regions whose products fix the prices in the markets for the consumers, there has been, and is, profit in grain-raising at present prices the same as we have found for corn and oats in these twelve states."

To this Mr. Coin could frame no reply. He tried to turn the subject of conversation. He said:

"It is true that the average farmer in these Western states can for his oats and corn buy $1,000 as cheaply as twenty-five years ago and have a buggy or reaper thrown in as a bonus. The grain farmer in Russia, India, and Argentina can also purchase more gold on an average than years ago with a certain number of bushels of his farm products. But in the case of those farmers, as of the Western farmers Mr. Hayseed has referred to, the buggy or reaper represents the changes in the charges for transportation from the far West to the seaboard and to other ultimate markets of consumption that have been brought about in various ways since 1870. I cannot give you the exact figures which represent this reduction in transportation rates between the Kansas, Nebraska, or Dakota farmers and the consumer in New York City. I can only give you an exhibit of the same between Chicago and New York and

from that approximately estimate the difference for the farmers of Kansas and other remote states. For the purpose of comparison I take No. 2 corn, No. 2 spring wheat, and No. 2 mixed oats in New York and the corresponding grains in Chicago. I compare prices in the two cities in different years, reducing all figures to a gold basis. Doing so, I find that while the difference in 1872 between the average gold prices in Chicago and New York was for oats 17.3 cents a bushel, for corn 25.8 cents, and for wheat 32.6 cents, the same difference in 1873 was for oats 16.7 cents, for corn 24.7 cents, and for wheat 34.7 cents, and in 1892 the corresponding difference was only 6.9 cents for oats, twelve cents for corn, and 12.8 cents for wheat. From these facts I know that the cost of transporting grain from Chicago to the seaboard had declined on an average in twenty years for oats about ten cents a bushel, for corn thirteen cents, and for wheat over twenty cents. Exact figures for 1894 would show a still greater reduction in the charges for transportation between Chicago and the seaboard. This reduction in freight rates between Chicago and New York is not over two-thirds the corresponding reduction for the average producer in these twelve states. We can say, therefore, that the freight rates between the average farm of these states and the seaboard in twenty-five years declined fifteen cents per bushel for oats, twenty cents for corn and thirty cents for wheat. For the states west of the Mississippi River this decline was much greater. The

farmer is justly entitled to his share of these changes in transportation rates, and your figures show not that gold has depreciated in value but that the farmer has secured a part at least of the benefits justly belonging to him as the results of reduced cost of transportation. Your figures show that the farmers have gained in these twelve states 6.4 cents a bushels, or about thirty-two per cent of those results for corn and 4.1 cents a bushel, or twenty-seven per cent of those for oats."

"Quite right," said Hayseed. "I agree fully with you in all that you have said. I only referred to the silver question to show what I consider your fallacy in dealing with wheat prices. The figures for corn and oats show that the farmers in these states, as the results of the inventions and changes in the methods of producing corn and other grain and transporting it to the seaboard, have been able to secure a very large gain for themselves. Let us see if we can estimate its magnitude. They keep to themselves all the benefits due to lessened cost of raising grain in the states. They have substituted a plow that turns a wider furrow than the one employed in 1870. Where once in planting corn they had to mark the ground both ways and have two men to plant, they now dispense with marking and one man and one team will do the work formerly performed by four men and three teams in planting. Other great gains are to be noted in the use of the self-binding reaper for cutting oats, wheat and other small grain. Taking all improvements to-

gether it can safely be said that the farmer's cost of raising corn or any small grain has been reduced over one-third in twenty-five years. All this gain the average farmer is shown by the figures here presented to have kept for his own benefit and, in addition, to have reaped an advantage due to lessened transportation rates of a sum equal to seventeen per cent of the pres-

FARM MORTGAGE CHASM FILLED BY PROFIT ON CORN.

ent selling price of his corn and of fourteen per cent of the present home value of his oats. The total relative gain due to these two causes for the farmer in these twelve states in the past five years amounts for corn and oats alone to about 1,225 million dollars. It is the share of those farmers in the results of the

economic progress of the present over the condition of affairs in the West twenty-five years ago. It will purchase nearly one-third of all the gold or silver in the world and practically pay for one-seventh of the farms now existing in the vast territory embraced in the twelve states.

"Let me state the vastness of this sum in another way. This 1,225 millions of dollars which the farmers in these twelve states gained in the past five years from their oats and corn, over and above what they would have gained therefrom if the average prices had prevailed which ruled during the ten years 1870 to 1879, is sufficient to pay all the home farm mortgage debts of these states and leave almost enough to pay the similar debts in the other states of the Union. The difference on corn alone would more than pay these debts in these twelve states. Some writers are wont to speak of those debts as if they were a chasm opening in the earth and threatening to swallow up our farm homes and destroy our national life as did that fabled chasm that appeared in ancient Rome when a noble leader was found to throw himself in as a substitute and thus saved the state. But here we find that this chasm of debt can be filled for these twelve states by the increased value and decreased cost of raising corn for five years. The average farmer, if content to live as in 1870, will pay off his debt in five years with the increased net income from his corn crop."

Here young Hayseed interrupted his father by saying:

"If the farmers have realized this immense relative gain as compared with the earlier experience, what has become of the money? It has gone somewhere. You can't stow away, in practice, any 1,225 million dollars in a napkin."

"The money, my son, has gone to purchase watches, carriages, furniture, canned goods, fruit, and all similar supplies. It has paid the expense of sending 10,000 children—boys and girls—to college. It has enabled countless retired farmers to travel to California and even to Europe. It has purchased better clothes. It has been used in buying more lands. I called your attention, my son, this morning to the immense extension of human expenses along all these lines. We here see where the money comes from to pay the bills."

Turning to Mr. Coin, Mr. Hayseed continued:

"We have found in the figures for the crops of these states an approximate estimate of the benefit which has come to their farmers in twenty-five years as the results of the economic changes of that period, including the effects of the so-called demonetization of silver. Or, at least, we have found the part of that benefit which follows or accompanies the cultivation of corn and oats in these states. The greater share of the corn and oats of these states is fed to swine and cattle and sent East in the form of meat, lard, butter, cheese, but mostly in the form of hog products. Some one has to pay for all this gain secured by the Western farmers. Who is it?"

"The consumers," said Coin.

"Quite right," said Hayseed. "But where do they reside?"

"In the East and in Europe," said Coin. "In those sections reside the people who purchase the surplus food products of the West?"

"THE FINANCIAL SITUATION CAN THEN BE REPRESENTED IN THIS WISE."

"Then the East is aiding in the support of the West. The financial situation can then be represented in this wise:" (The old gentleman went to a blackboard in thé room and rapidly sketched a map of the United States with a huge swine, labeled "The West," with

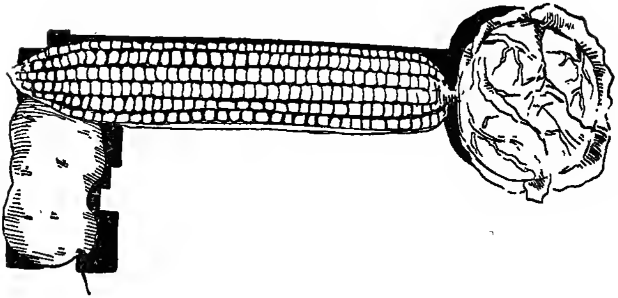
his fore feet in New York and Pennsylvania, and eating out of a trough extending from New England to Washington. The hind legs of the hog rested in Kansas and Iowa, and seven lusty pigs labeled Iowa, Kansas, Missouri, Nebraska, Minnesota, and South and North Dakota, were drawing the nourishment from the mother. Uncle Sam was looking on and saying to a wee bit of a pig marked R. I., "Go West, little fellow, and grow up with the country.")

When the old man had finished his picture the young fellows were laughing heartily thereat. Coin saw he was in a tight box and did not want to talk longer with the old man until he had had time to look up some facts and figures which had occurred to him. He, however, took occasion to say, "You have, in all that you have said, forgotten or neglected to consider the facts concerning the two great staples of American agriculture, wheat and cotton. They tell a different story. I wish I had time to stay and discuss them with you, but cannot. I must say good-night to you all." And extending his hand in his smooth way to the members of the party, he took his departure. His frame of mind, as he went, illustrated the truth of Mark Twain's remark which stands at the beginning of this tale. The old man had destroyed several lives to the untruth about the effects of silver legislation upon prices and the condition of the farmers, yet Coin had in his makeup, as had his fellows of kindred ideas, a hundred more lives to the same fiction.

On the basis of a decline in the price of wheat and cotton in New York and Liverpool, Coin asserts a decline in the value of all farm products and in the selling price of everything of which anyone wishes to dispose. He knew better, as is seen by the many examples Coin himself gives on page 43 of his school-book of articles sold at the prices in 1870. His office cat, looking at the picture on that page and afterward hearing Coin repeatedly assert the old statement of a universal decline of prices due to silver demonetization, came to present an appearance something like that shown in the accompanying illustration. Does not Coin's talk about the effect of silver legislation now begin to exhibit a little of the same cast of countenance?

CHAPTER IV.

THE KEY TO WESTERN FARM PROSPERITY.



"He is useless on top of the ground. He ought to be under it, inspiring the cabbages."

—*Mark Twain.*

When Coin had left the room the night of the dinner at young Hayseed's, the father of the young man heaved a sigh, and said, "That man makes me tired. He is one of those fellows who moves on a track. His tongue runs like an engine so long as he can keep the conversation going on the lines he has laid down. The moment he is switched off from those lines he is as helpless as a ditched locomotive. He has a fixed lingo about wheat, cotton, and silver, and upon these themes

he can in his way talk your arm off. But he cannot, or will not, long converse upon any other subject relating to finance, prices, and the like. Neither will he consent long to discuss his favorite themes save in his stereotyped way. You all saw how, when I confined the subject to the prices of corn and oats in the West instead of wheat in Eastern or European cities, he had pressing business. He left, and we had not finished our first cigar; and you have told me, my son, how he liked to linger and talk and smoke with you boys until the small hours of the morning."

There was a silence in the room for a moment. Then one of the young fellows named Hans Breitenfelds, a German, spoke up. Young Breitenfelds' father was a large landholder in Germany, and the young man, after finishing his education at home, was visiting America to see and learn something about the New World. The subject of silver and the prices of wheat, corn, and pork interested him greatly. The depression in prices of farm products at home had been immense. It had been even greater than was indicated by the figures of Coin, showing a decline in the average shipping value per bushel of the wheat that had been exported from America from 1872 to 1893. Before visiting America he had traveled in England and found the agricultural situation there, in some respects, worse than at home. In England, as in Germany, people were talking about the depression in the prices of farm products. Parliament in both countries had investigated the cause of that depres-

sion. That depression was a vital subject for himself and his father's family. It was slowly bankrupting them. Was there to be no end to it for the farmers in Germany? How could the evils of the present situation in that country be remedied temporarily, even if not permanently? To find answers to these questions, if possible, was the main object of his visit to this country.

Mr. Breitenfelds said:

"I have found in England and Germany men arguing that the silver legislation was the cause of low prices. I was familiar with the price quotations employed by the advocates of that proposition in the Old World. I thought that, when I reached the United States, I would have new figures. But instead I find the advocates of the free coinage of silver using only a part of the price quotations employed in Europe. There the prices of all agricultural staples are depressed. Here only two seem to be thus affected. Hence silver men only refer to wheat and cotton prices in their argument. They prepare no new tables of even these prices. They have no figures for the value of even their favorite commodities to the American producer. They give the figures employed in Europe, the prices of wheat and cotton to the consumers."

"And you have noticed, no doubt," said Mr. Hayseed, "that there is no necessary or even possible connection between the wheat and cotton prices for the consumer and the effect of silver legislation upon the producers of the world."

"I thank you heartily, Mr. Hayseed, for calling my attention to that fact by your conversation this evening with Mr. Coin. It was a new phase of the discussion. In my country the prices to the consumers are approximately the value of the products to the farm producers. So it is in England and most other European countries as a rule. But our producers do not establish their own prices. Those depend upon the prices of the products of foreign countries such as yours here in the Western American states. Our prices, the prices in Liverpool and New York and even those of such a market as this here in Chicago, prove nothing about the values of grain to the American producers, and to quote the changing price of wheat and cotton to the consumers as proof of the effects of silver legislation upon the American grain producers is therefore absurd."

"The remarks of Mr. Hayseed and yourself," spoke up one of the young men present, "remind me of a story. In the country town where my parents reside they have a village debating society. One night they were debating some subject and a fellow who thought he was very bright spoke and closed his speech with the following words, "Stick an iron bar in the fire and it will expand, consequently the moon is inhabited." He started with indisputable premises, but built upon them a conclusion that bore no necessary or possible relation to the starting point. So it seems to me with the argument for free coinage of silver as we hear it propounded in the United States. No one disputes

the prices of wheat in the markets of the consumers. They have fallen greatly in the past twenty-five years. So have the prices of cotton. But such prices to the consumers no more show the effect of silver legislation

COIN PROVING THE SETTLEMENT OF THE MOON BY SILVER CRANKS.

upon the American farmers than the expansion of an iron bar with heat proved the assertion that the moon is inhabited, although the silvery light of that luminary may prove to Coin its settlement by a colony of silver cranks."

"Just so," said Mr. Breitenfelds. "The fallacy here is more transparent than in Europe, and hence it seems strange that more have been caught with it than with us in the Old World. Possibly the greater experience of the European people with statistics has led them to be less liable to be led away with sophistries."

"You have come, then," said one of the young men, "to accept the truth of that statement of the witty writer, who said that lies were of three degrees of comparison. Positive, 'lie;' comparative, 'd——d lie;' and superlative, 'statistics.'"

"That is it, exactly, my young friend. Nothing is more deceiving than columns of figures in the hands of men who do not fully understand the subjects with which they are dealing. Parallel or contrasted columns of figures such as those relating to wheat and cotton and silver prices prove nothing of necessity anywhere. This was pointed out to me in England by one who had seen the same table of figures usually given by Coin and other advocates of the free coinage of silver. He said, 'These figures remind me of a book that once had a large sale and commanded great attention in England. It was a book upon the temperance question. Its author had gathered the statistics of the consumption of strong drink and those for crime in his country and in the world for 250 years. He arranged the two classes of statistics in parallel columns as Coin had his wheat, cotton, and silver prices. The book thus arranged seemed to show that everywhere for 250 years, when the average consumption of strong drink increased crime decreased, and when the

per capita drink bill decreased crime increased. Hence the writer inferred that the free use of strong drink was the greatest possible prevention and remedy for crime. The figures were absolutely correct, being based upon government returns, but the tables omitted the data for a third factor that was the connecting link and the cause of all the variations in the use of drink and the commission of crime. The omitted and, really, the only determining, factor was the financial condition of society in different years. When times were good, men purchased more luxuries, including strong drink. On such occasions the motives for crime against property, with which the book alone dealt, decreased. So, also, when financial depression came, drink decreased and crimes against property increased. The varying consumption of drink had, however, no direct relation to the changing ratios of crime. One could not be said to be the cause of the other."

"The logic of the English writer referred to, as well as that of the inexperienced debater about the iron bar," said Mr. Hayseed. "was better than that of the advocates of the free coinage of silver. In the world at the present time there are a thousand powerful forces and influences at work tending to depress prices. To omit all those forces and influences and confine one's attention to the parallel columns of silver and wheat prices is utterly inexcusable."

"Mr. Hayseed," said Breitenfelds, "I have been greatly interested in what you have said this evening. There has been something breezy in your re-

marks. You have taken us away from the wheat-pits, where bulls and bears are dancing and howling, and conducted us to the farms and shown us the value of corn and oats to the producer in the great West. I want to have more information along the same line. Will you therefore kindly tell us something further concerning farm prices in the great centres of production in the extreme West of the United States, the section that is now dominating the world's prices of cereals and meat products? Also, something about farm mortgage debts and the ability of farmers to meet their obligations now as compared with twenty-five years ago? But first kindly tell us something about wheat prices in these same seven trans-Mississippi states about which you have spoken in connection with corn and oats."

Mr. Hayseed said: "Those states in the five years 1870 to 1874 raised 318,084,000 bushels of wheat with a farm value of $271,867,380. This was in currency an average of 85.2 cents a bushel. In gold it was, however, only 74.8 cents. These figures do not include the data for the Dakotas. If it did, the foregoing averages would be somewhat reduced, owing to the greater distance of those territories from the primary markets than such states as Iowa, Missouri, and Minnesota. The average for 1875 to 1879 was in currency 80.2 cents and in gold 76.2 cents a bushel. The average for 1880 to 1884 was 77.5 cents a bushel. The next five years it was 65.3 cents and in the last it was 61.1 cents. In the last five-year period ending with 1894 these seven states produced 947,954,007 bushels of

wheat with a total home or farm value of $579,030,334.

"You will notice here a decrease in the average home gold value for wheat in the seven states from 1870 to 1894 of 13.7 cents a bushel, which is 18.3 per cent of the average gold farm value of the earlier years. This relative decline is only about one-third as great as that exhibited in the tables of Coin, which show the decline for the consumers of Europe and the New England states."

"But do you not think, father," said young Hayseed, "that this decline of even 13.7 cents a bushel on an average in these seven states in twenty-five years was due to the demonetization of silver? If it was not, how do you account for the same?"

"If silver legislation affected prices of agricultural products it would affect all products alike. Here, it is true, we find wheat prices declining, but that decline occurs in the same states and in the same period of time in which the greater staples—corn and oats—have their average price increased by a greater percentage than the wheat prices were lowered. The cause lessening the selling price of wheat is therefore one that only affects wheat. It cannot, therefore, be anything relating to silver legislation. It is due to the fact that wheat is largely exported and the other grains are not. Wheat prices are established by the American grain competing in Europe with the wheat raised by cheap labor in Argentina, India, and Russia. The other grains have their prices established by supply and demand in the United States. The farm values of corn and oats are but little affected for the whole

country by changes of transportation. Most of those grains are fed to stock on the farm, and the only way that freight charges modify their value is in the varying cost of shipping live stock and dressed meat. The farmer himself is the great consumer of corn and oats and the farm value and consumer's price are practically identical for the country as a whole. It is otherwise with wheat. Its consumers are far removed from the producers, and hence in all figures for wheat values the world over we trace the effect of transportation upon the same."

"These figures," said Mr. Breitenfelds, "which you have given us for the total and average home value of wheat in these seven states may not, therefore, exhibit the actual changes in those values to a farmer in any given locality in their wide expanse of territory."

"You are correct," said Mr. Hayseed. "Thus the reduction of 13.7 cents in the average home value of wheat in these seven states in twenty-five years is at the present time the average cost on the great grain-carrying railroads of the West of transporting sixty pounds of freight 436 miles. Wheat on those roads is made to bear a heavier carrying charge on the average than corn, and hence this reduction of 13.6 cents is not far from the average railroad charge at the present time in these seven states for carrying a bushel of wheat 325 miles. Now, in twenty-five years last past the centre of wheat culture in these seven states has moved nearly, if not quite, that number of miles farther from the markets of the consumers. The wheat raised is subject in these states, therefore, to an added

carrying charge equal to the cost of moving grain from the present centre of wheat production in these states to its old centre, or 325 miles. This being the case, we must infer that on the whole the home value of a bushel of wheat at any particular town in these states averaged in the past five years not far from what it averaged in the five years 1870 to 1874. In fact I know this to be the case for many towns. The average farmer at Rochester, Minnesota, and other towns twenty-five miles west of the Mississippi River in 1869 and 1870 realized about the same for his wheat as in 1893 and 1894. The farmer in the Red River Valley, 325 miles away from the final market, receives the old Rochester price less the cost of shipping the wheat to Minneapolis or Duluth. The farmers of Dakota, Kansas, Nebraska, and northwestern Minnesota fix the average value for wheat in these states at present and not those of Iowa and southeastern Minnesota as twenty-five years ago. Hence the reduction of 13.7 cents in the average home value of wheat in the group of states."

"Your statement of facts, joined with your figures for prices," said Mr. Breitenfelds, "clearly show that the average wheat farmer has not greatly suffered in these wheat states from a fall of prices. He receives less than before, because he has moved where his wheat has to be hauled 325 miles farther than in 1870. The silver legislation is not to be accredited with the change any more than it is responsible for the extra haul by team for a farmer who had sold his old farm

near the railway and located thirty miles away from a railroad station."

"You have it exactly. The farmer is sometimes justified in selling his farm and moving thirty miles from the railroad by reason of the cheaper or better lands thus obtained. The difference in the cost of land justifies the extra cost of hauling his products to market. So on a great scale the farmers in the Red River Valley have the benefit of cheaper land than in southeastern Minnesota. They choose the cheaper lands and heavier freight charges. They do not lose but little, if any, by the choice."

"You have shown us," said Mr. Breitenfelds, "how, under the same condition of transportation charges and limitations as in 1870 to 1874, the wheat raised by the farmers in these states on an average brought nearly, if not quite, the same average home or farm price in 1890 to 1895 as in 1870 to 1874. That simply shows us the relative purchasing power of wheat in terms of gold or gold in terms of wheat. What is the relative purchasing power of wheat in terms of the commodities which the farmer needs on his lands?"

"A thousand bushels of wheat in Dakota or Kansas in 1894 will purchase about double as much farming machinery of an improved pattern as twenty-five years before. It will also buy nearly double as much of clothes, furniture, or other articles of household use as it would in the earlier years. Measured in terms of these farming implements and other commodities used on the farm, the home value of wheat has been enhanced

in twenty-five years almost as much as gold in Liverpool has been enhanced in terms of wheat."

"What change in twenty-five years do you note in the charges for the services that wheat received between the producer in these Western states and the consumer in Europe?"

"The average cost of carrying a bushel of wheat from Minneapolis to Liverpool in the form of flour is at least forty cents less than the cost of sending a bushel of unground wheat was in 1870. Then there is a further reduction in freight rates west of such local markets in Minneapolis. Then the change in the profits of the millers of the United States has been very large. When the Pillsburys erected their great A mill at an expense of $1,000,000, it was said at the time that their profit for a single year would pay for the cost of the mill. They made over one dollar on every barrel of flour turned out by them. Now they are satisfied with a profit of twenty-five to thirty-five cents a barrel. Millers are also now able to obtain more good flour out of the same amount of grain than formerly. This saving amounts to several cents on every barrel of flour to the Eastern or European consumers. In the items now noticed in this review we find a difference in the charges of the middlemen, the men between the producer and consumer, the traders, the millers, and the transportation companies of from sixty to eighty cents a bushel. Do we not have in these figures an explanation of practically all the reduction

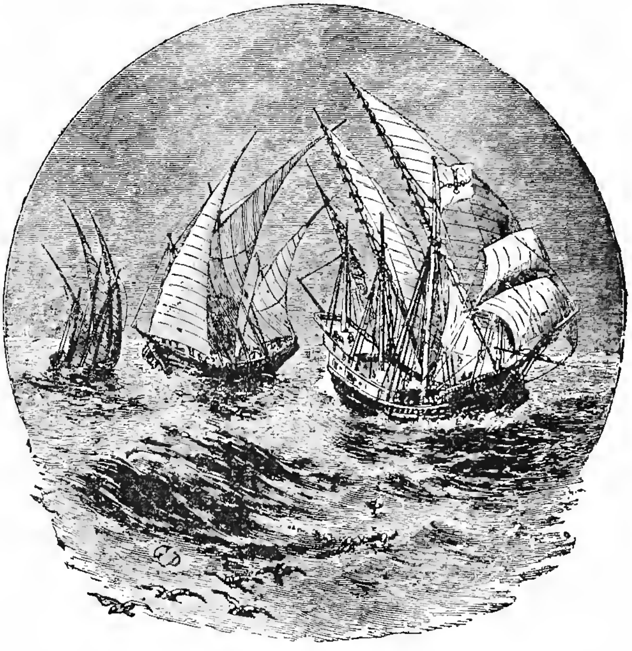
in the price of wheat that has taken place in Hamburg and Liverpool since 1870?"

Mr. Hans Breitenfelds had been an intensely interested listener to every word of Mr. Hayseed's. He said in comment thereupon:

"The vast quantities of grain produced in these seven Western states and other vast quantities from other American states and the other quantities poured into the world's markets from Argentina, Russia, India, and Australia make up such totals that German grain production seems insignificant. This latter production has but little power in establishing the world's prices for grain and meat. The German producer is but a fly on a cart-wheel as compared with the great army of producers in western United States and the other countries named. The prices of all farm commodities in Hamburg, Liverpool, and New York measure the results of the economic changes of a quarter of a century last past upon the consumers. The values at the farm doors of the seven great states here considered measure the results of those changes upon the producers. The grain and meat consumers of Europe and New York have gained by the decrease of sixty to eighty cents a bushel in the price of wheat and corresponding reductions in the cost of beef, pork, lard, and other food products. For them the decline of wheat prices measures the extent of a world revolution in the interest of the mechanic and laborer greater in its beneficence than any economic change that time

has chronicled with the possible exception of those following and due to the discovery and settlement of America."

"But Mr. Coin calls this decline in prices a calam-



THE SHIPS WITH WHICH COLUMBUS DISCOVERED AMERICA AND OPENED NEW OPPORTUNITIES TO STRUGGLING HUMANITY.

ity," said one of the young men. "I wish to ask, Mr. Breitenfelds, if its effect is not a calamity upon the farmer of your own country?"

"Yes, it is," said the latter. "But it is such a calamity as the discovery of America was to the kings

and lords and barons of Europe. The discovery of America, opening new opportunities to struggling, suffering humanity, broke the power and tyranny of the titled and privileged of Europe and opened the way for the development of human liberty. So the cheap bread and meat rendered possible to the artisan of Europe by the economic change in transportation rates is breaking the land monopoly of the rich few in the Old World. It is a plowshare tearing up the soil of inherited wrongs, and in due time will come, in the Old World as in the New, a splendid harvest of added liberty, privileges, and opportunities for the struggling masses."

"Young Hayseed here interrupted Mr. Breitenfelds with the question: "Do you not have a silver party in Germany composed of those who believe that silver demonetization has been a great factor in depressing prices? And has not the influence of this party led your government to take steps to unite in calling an international conference to secure the remonetization of silver by a universal treaty?"

"Yes," said Mr. Breitenfelds. "But the conference is a myth. It will not be held in any seriousness. The emperor sees the real enemy of his throne and he strikes at it. It is the American hog. His presence in Germany, or, what is the same thing, the sale of American pork in that country has so disturbed prices as to threaten the stability of the throne itself. You can describe the situation by saying the hog has

rooted out the foundation of the throne in so far as it rested upon agriculture. The emperor perceives this and he tries to exclude the porkers before they do more mischief and leave things where the American steer, in the form of cheap beef, will come tilting into the arena and knock over the whole structure. The hog

EMPEROR WILHELM TRYING TO KILL THE AMERICAN HOG.

question is the only serious thing which our rulers see and they are wide-awake and sharp of sight. The American hog must not be allowed to get her living under the throne and leave her hind legs in America to fatten her young and thus give wealth to your farmers. That is the situation as Wilhelm beholds it. He is trying to kill the American hog. He can't do it.

His associates are trying to keep the American steer at a distance. The silver conference talk is a part of the scheme to aid the German rulers in keeping out the competition of American pork and beef. They are bound to protect themselves in some way from that competition. They do not want too much trouble with the United States over the hog and steer and so they raise this diversion over silver, knowing well that there are thousands of ill-informed gudgeons in America who will bite at the bait, thrown out in that way, to catch suckers. The silver men, in the hopes of gaining the Germans to their side of the Quixotic scheme of turning fifty-cent pieces into dollars, will pat the people of the fatherland on the back and call them good fellows and do nothing for the American hog or his producer,—the American farmer. Oh, it is a nice scheme, and you should thoroughly admire the intelligence and shrewdness of our rulers in the perplexing dilemma caused by the free sale of American food products in our markets. There is nothing Quixotic in our emperor's scheme, whatever there may be about the dream of theorists concerning the fiat of governments changing permanently the value of two metals or two cereals. The Germans are a practical race. They deal with practical questions in a practical way. They look after their own interests by practical measures against the American hog, beef, and wheat, and leave the theorists of the New World to enjoy their dreams of perpetual motion in finance and of the creation of something out of nothing by act of congress. The

corn-growing farmers of the United States should see this fact and not be carried away with the silver lunacy, as are the men whose occupations bring them less into practical relations with the world as it really exists."

Continuing, Mr. Breitenfelds said: "Permit me now to change the subject. Mr. Hayseed, there is some variation in the results which you have presented, showing the change in the home values of corn, oats, and wheat in your new and great West. How would you strike a balance between them all and show the sum total of the changes in farm values in the twelve great Middle states of your Union in the past twenty-five years?"

"I would mass the figures for all the three grains. I would secure the sum total of the bushels of the three cereals raised, their total home value, and the average of the same. Doing that, I find the results shown in the following tables giving the combined production of corn, oats, and wheat for twenty-five years in the twelve states named:

Five-Year Periods.	Total Productions, Bushels.	Total Home Values in Currency.	Average Currency Value Per Bushel.
1870–1874	4,651,758,000	$2,258,479,730	48.5 cts.
1875–1879	7,112,368,786	2,751,007,064	38.7 cts.
1880–1884	8,496,021,589	3,807,406,401	44.8 cts.
1885–1889	10,082,749,000	3,362,808,307	33.4 cts.
1890–1894	9,268,592,471	3,681,323,637	39.7 cts.
1870–1894	39,601,489,846	$15,861,105,139	40.0 cts.

Average gold value per bushel 1870 to 1879, 39 cents.
Average gold value per bushel 1880 to 1889, 38.6 cents.
Average gold value of twenty-five years, 39 cents.

"The corresponding figures for Illinois, Indiana, Ohio, Wisconsin, and Michigan are:

Five-Year Periods.	Total Production, Bushels.	Total Home Values in Currency.	Average Currency Value Per Bushel.
1870–1874	1,691,895,000	$750,031,840	44.3 cts.
1875–1879	2,990,937,616	1,003,744,898	33.5 cts.
1880–1885	4,506,663,334	1,738,716,973	38.6 cts.
1885–1889	5,711,316,000	1,726,830,803	30.2 cts.
1890–1895	5,423,140,502	2,031,707,068	37.5 cts.
1870–1894	20,323,952,452	$7,251,031,582	35.6 cts.

"Average gold value per bushel 1870–1879, 34.4 cents; 1880–1889, 33.9 cents; 1870–1894, 34.9 cents.

"In the twelve states the average selling price to the farmers increased for these three cereals .7 cent a bushel in twenty-five years; for the seven states west of the Mississippi this increase was 3.1 cents, and for the five states east of that river it was .8 cent. In other words, the gold selling price of their grain increased for the farmers of these seven great states about nine per cent since the silver legislation of 1873. Possessed of the foregoing data, we can estimate with tolerable accuracy the net gains of the farmers in these states by reason of the economic changes of the world in the past quarter century. In the first place, I note that, though residing 150 miles farther from the world's markets than in 1870, the average farmer has actually increased the average selling price of his grain by .7 cent a bushel. The average farmer west of the Mississippi resides from 250 to 300 miles farther from

market, and yet sells his grain for an average of 3.1 cents more than in 1870. Here is a significant gain. In addition, the average farmer has gained all the results of better methods of farming and the improved machinery used in farm operations. This cannot be less than one-third the present home value of the grain raised by him. Taking account of these items of gain and allowing for the increased average haul of his grain to market, we see that the total net gain of the average farmer in these twelve states residing in the same locality as in 1870, is not far from seventeen cents a bushel. For the farmers west of the Mississippi this gain averages not less than twenty cents a bushel. This gain measures the farmer's increased earning and spending power, the increased purchasing power of his wages or labor. It represents from 44 to 55 per cent of the average home value of the grain raised by him in the years 1890-1894. The farmer in the states west of the Mississippi averaged more than the farmer east of that river."

Here a young man, who had been a close student of the question of wages and prices in the United States, asked a fourth question. He said:

"Mr. Hayseed, will you kindly state to us how these results obtained by you from a study of the economic changes affecting the farmers compare with the results secured by the United States Senate investigation under the direction of Hon. Carroll D. Wright, United States Commissioner of Labor?"

"Let us see," rejoined Mr. Hayseed. "That investigation showed that the average day's wages were, in 1870, 113.9 per cent of what they were in 1860, and in 1891, 173.5 per cent of what they were at the beginning of the Civil War. The gain from 1870 to 1891 in the purchasing power of wages in the manufacturing industries of the United States was fifty-two per cent. This

THIS FARMEE EAISES COEN AND MAKES MONEY.

is eight per cent more than the average gain for the farmers of these twelve states from an analysis of the home value of these three great crops—corn, wheat, and oats. The two conclusions practically agree, since the senate investigation showed a larger gain than fifty-two per cent in the skilled callings and a less in common labor. The experience of the Western farmers

as a whole, therefore, coincides with that of the great body of wage-earners in the East. The purchasing power of toil has in twenty-five years improved East and West from forty to fifty per cent relatively. The wage-earner in the East and the farmer in the West can employ this increased purchasing power of his labor in either of two ways. He can save it to pay debts or buy lands, or, in other words, add to his fixed wealth. He can also use it to secure more comforts and luxuries for himself and family. I have already shown briefly how the latter is so widely practiced among the more prosperous farmers of these states."

"But you cannot claim that all the farmers of the West are as prosperous as your figures seem to indicate for the average?" said Mr. Breitenfelds.

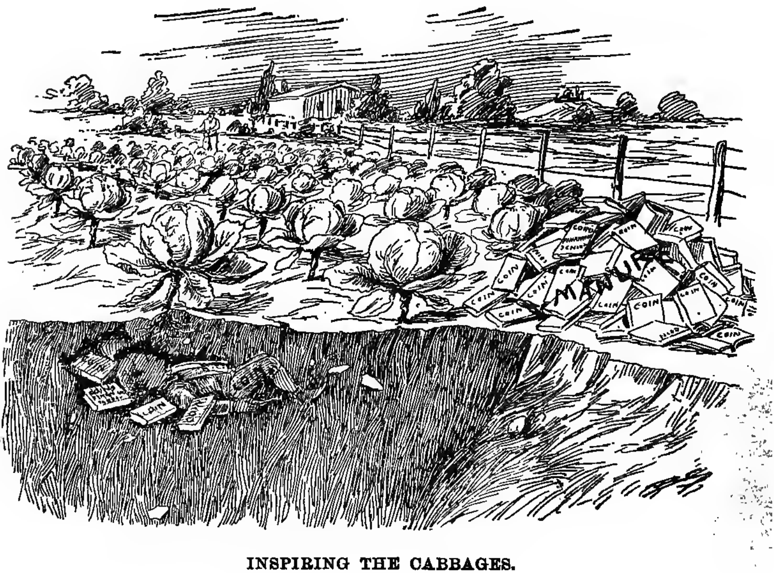
"No. There is a wide difference in the prosperity of farmers in these states at present. Those who stick mainly to wheat are less successful than those raising corn and oats and feeding hogs and engaged in making butter and cheese or raising garden truck, fruits, and like products. The farmers with a well-diversified system of agriculture, as has been shown by the studies of the Minnesota Bureau of Labor and other investigations, are making and saving much more than the farmers raising wheat as their great staple. The wheat-raiser is discontented with his lot and is clamoring for the free coinage of silver or other devices for securing cheap money. The thing clamored for is not the remedy for the evils of the present American conditions. The situation is in some respects as it was in South

Carolina in 1860. When that state passed its ordinance of secession some enthusiasts rushed into the laboratory of a noted chemist, who was analyzing a specimen of phosphates used as a fertilizer of the soil. The enthusiasts announced the secession of South Carolina and added, 'Now the state will be prosperous.'

THIS FARMER RAISES WHEAT AND IS POOR.

The chemist replied, 'What the state needs for prosperity is not secession but more manure.' So I would say for those who advocate free coinage of silver as a remedy for the less prosperous condition of the wheat farmer, 'Silver legislation is not what you need. Rather, you need more manure,—diversified husbandry. Try that and you will realize the average of prosperity to which I have here called your attention in these

seven states. Remember, however, the receipt for good times of the old South Carolina chemist, 'More manure.' All hail to the inspiration of the South Carolina professor and Mark Twain. Here is a chance for those fifty-cent-dollar-men to show their patriotism by applying Twain's remark, 'He is useless on top of the ground. He ought to be under it inspiring the cabbages.'"



INSPIRING THE CABBAGES.

CHAPTER V.

THE RUIN WROUGHT FOR WESTERN DEBTORS BY SILVER LEGISLATION.

"If you would know the value of money go and try to borrow some."

"Industry pays debts, while despair increases them."

—*Poor Richard's Almanac.*

The young men who had been present at the dinner with Greenman Hayseed, when Coin was unable to answer the latter's father, had, as a whole, become greatly interested in what the old farmer had had to say about the prices of Western farm produce. They desired to hear Coin and the farmer discuss the subject of farm debts. Greenman Hayseed had among the boys come to be regarded with a little more respect than before the dinner. The other boys had seen what "Greeny" had been slow to perceive, that his father was a better posted man than Coin. They expressed this latter idea to Greenman, and, of course, he was flattered and hence readily entered into the scheme of having his father meet Coin and talk over the subject of farm debts. Between the set they agreed to have one of their number, a farmer's son from Minnesota, by the name of William Yeomans, entertain the crowd, including Coin, the following night. Coin was invited and accepted Yeomans' invitation. Later, when Coin arrived

at Yeomans' room and found Mr. Hayseed present, he felt mad all through, but tried not to show his displeasure. Dinner had hardly begun when Yeomans said to Coin:

"Mr. Coin, I have had a little conversation to-night with Mr. Hayseed here about the debts of the world. I tried to state to him your ideas about this subject. He could not agree with them. He denied that the debts of the present were more crushing than they were twenty-five years ago. I am afraid that I did not state your ideas upon the subject correctly. Will you kindly repeat here for Mr. Hayseed the substance of what you have said in your lectures about the effects of silver legislation upon the debt-owing farmers of the land?"

Coin was inwardly pleased that the topic suggested was not the home value of grains in the West, since he had looked it up and found the old gentleman's figures absolutely correct, inasmuch as they were based upon the figures of the United States Government authorities, which he had been in the habit of quoting. The subject of debt was one of his strongholds. He very readily and graciously began:

"You remember, possibly, the question which Mr. H. F. Eames, president of the Commercial National Bank of this city, asked in our school the other day. He said, 'Suppose values do decline and get on a lower plane? Can't the farmer who gets fifty cents for his wheat buy as much of the world's goods with that fifty cents as he formerly did with a dollar? And if this is

true, and I think it is, wherein does it make any difference?' You will also remember how at the lecture I illustrated my answer by means of two large rubber globes or balls, one about half the size of the other. Speaking at the time upon the subject and referring to the smaller globe, I said:

COIN SAYS DEBT INCREASES AND WEALTH DECREASES.

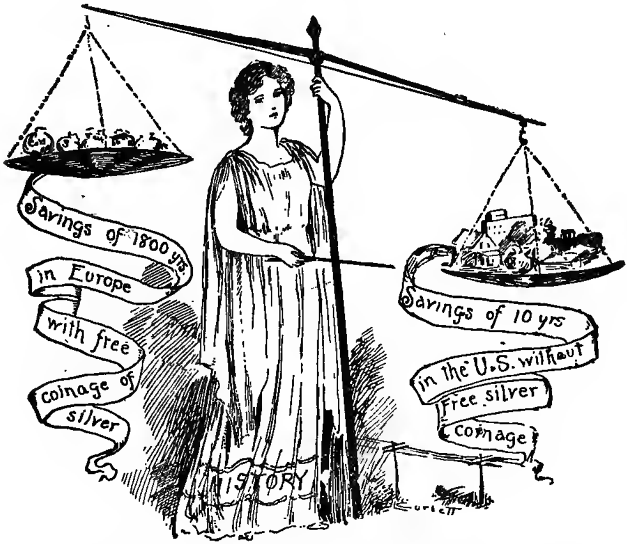
"This ball, as proportioned to the largest one, indicates the debts of the world, which are, if we include debts of all kinds, about 200,000 millions of dollars at the present time. The total value of all the property of the world in 1890 was about 450,000 millions. This value has been shrinking, and will continue to shrink until it is about one-half its present size, as represented by this largest ball. But this ball, which represents debts, will not decrease any. Its present tendency is to grow larger. When this ball, which repre-

sents the value of all property, has shrunken to half its size it will be about the size of this one, representing debts. The history of nations shows that when the debts of a country are two-thirds of the value of all its property, disintegration sets in, strikes, riots, revolutions, provisional governments, as with our neighbors in South America at the present time. When you reduce wheat to fifty cents and all other property accordingly, you don't reduce debts at all. You only make it harder to pay them."

Here the old gentleman Hayseed interrupted him by the remark:

"I think, Mr. Coin, you are a little off in some of your statements. Thus, you say, in speaking of the selling or market value of the property of the world, 'This value has been shrinking and will continue to shrink until it is about one-half its present size.' Now if this be true, how does it happen that in ten years from 1880 to 1890, years since the silver legislation of 1873, the national wealth, the market or real value of property in the United States, increased from $43,642,000,000 to $65,037,091,197? This increase of wealth in the United States, in which you say the value of property is lessening, was $21,395,091,197. Now, when I state this increase in the value of our nation's property in millions of dollars, I confess it means but little to the average man, myself included. Let me state it another way. This increase in the value of property in the United States in the ten years ending with 1890 represents a sum equal to the savings of the

nations of Europe from the beginning of time down to our declaration of independence. But Great Britain and France each increased its wealth by about the same amount and other European nations to a somewhat smaller extent. How can the market value of



SAVING UNDER FREE COINAGE AND UNDER THE AMERICAN SYSTEM COMPARED.

the property of the world increase to this degree and yet all such values decrease as you say they have?"

"This increase, I should say, Mr. Hayseed, is due to the modern use of machinery. It represents the amount of new property created and added to the wealth of the world. Property has been created so much faster than

the decline of prices that the sum total of the whole has been increasing."

"Be it so, Mr. Coin. You say that all property since 1873 has decreased in the United States fifty per cent in value. To keep the face value of the nation's estate intact, an amount of new wealth must have been created in the passing years equal to the original value of that estate. And further, each dollar of value found to exist to-day in addition to that of 1880 represents two dollars of values as they existed in 1873. Such suppositions call for the actual creation and saving in the United States between 1880 and 1890 of a quantity of wealth in the form of commodities equal to 80,000 million dollars worth of property measured by the standards of 1873. This is a sum equal to the accumulated savings of Europe and America from the beginning of time to 1810 and possibly as late as 1830. How can you explain such vast savings as these which your theory actually calls for?"

"Not all the decline in silver and the consequent decline in the value of commodities which I have alluded to took place between 1880 and 1890. Only about one-half of it fell within those years."

"Then, Mr. Coin, we will strike out one-half of my figures. We have left 40,000 million dollars worth of wealth saved by the people of the United States in ten years, a saving equal to all the property in the country in 1880. Here, then, according to your statement, we have the savings of the United States alone in ten years of universal ruin caused by the crime of 1873 greater

than the savings of Europe for 1,800 years of prosperity under the free coinage of silver. How, as an honest, truthful man, can you reconcile this comparison or these figures with your statement of the people being crushed by shrinking values?"

"Why, Mr. Hayseed, any schoolboy ought to be able to answer you. The increase in the national wealth represents the savings of the people."

"Please tell me, if I may be allowed to interrupt you, whether men as a rule are able to save most out of a decreasing or increasing income?"

"Out of an increasing income, of course."

"Then how does it happen, Mr. Coin, that out of decreasing incomes, the United States since 1873 added to its national wealth a sum greater than all its people had saved before that year from the first settlement at Jamestown, Va.? Men cannot save unless they are making something, unless they are receiving something."

"When I say the values of property are decreasing, I am referring to the values of the property in the hands of the masses. I have in my books pointed out how the rich are being benefited by this silver legislation. The rich are becoming richer out of the increasing incomes, while the poor are becoming poorer out of the decreasing incomes. It is one gigantic robbery of the people by the few rich."

"The rich may be stealing from the poor. I will not discuss that question at present. It concerns the

equity of the distribution of property. I wish to talk about its accumulation. The rich or the poor cannot save what has not been created or does not exist. The rich cannot steal from the poor what they have never had. They cannot rob them of what they have never earned. If there has been no robbery then the rich and the masses alike have saved this great addition in the national wealth since 1873 out of increasing incomes. If the rich have stolen this wealth from the others, they have robbed the masses of the results of increased earnings on their part. But in neither case could national riches be increased, as they have been, without increased earnings on the part of the people. But you are telling us that the earning power of the people, and hence their saving power, is only one-half of what it was in 1873."

"It is all a question of fact at last and not of theory," said Coin. "I don't care a fig for your proofs of increased income and earning power and savings and addition to the national wealth since 1873. I know the fact to be, that when you reduce wheat to fifty cents a bushel where it ought to be a dollar, and don't reduce debts, you make it harder to pay them. It may be that our property is increasing in amount some way or other, but debts are increasing faster than property, and these debts are crushing the farmer and business men of the land to the earth."

"By your statement, Mr. Coin, about the effect of fifty cent wheat, I suppose you refer to the average wheat farmer of the West and Northwest. You mean, among

other things, to assert that he cannot meet his obligations as readily as in 1870? I suppose you are willing to allow that the farmer raises in these states some other grain besides wheat, such as those greater staples, corn and oats. We should in any discussion of the debt-paying power of the farmer include all his resources for meeting them, should we not?"

Mr. Coin did not like this question. He did not wish to talk of corn and oats. He wanted to talk wheat only, and yet he had said that all property had declined as well as wheat and hence he had to say:

"Why, of course, any other treatment of the question would be unfair; but before you go to quoting prices in this connection I wish to call your attention to one fact. You are not entitled to reduce the currency prices or values of grain in 1870 to 1878 to a gold basis. The farmer's debts were then in currency and we must look at his debt-paying power from a currency basis."

"Be it so," said Mr. Hayseed. "You are here at the outset demanding an unjust advantage in this matter that averaged over twelve per cent in the nine years 1870 to 1878. The farmer in the years 1870 to 1878 did have his debt-paying power reduced by twelve per cent, but that was not due to the silver legislation. It was the result of the return by the nation to specie payments, which had been suspended since 1861. But giving you this advantage, let us see what changes the average farmer in these seven states west of the Mississippi River has witnessed in his debt-paying power since 1870. Let us take the case of a farmer with 160

acres of land in southeastern Minnesota worth $3,000, on which he had a mortgage of $1,000. To secure a loan for that amount of money for three years at twelve per cent annual interest this farmer had to give in 1870 a bonus or commission to the agent who secured the loan for him of $125, secured by a second mortgage, payable, with interest, in one year. The total payments by reason of interest on this loan aggregated an average of sixteen per cent per annum. The foregoing was the most favorable terms on which he could secure the ready cash needed to purchase farming implements and machinery to cultivate his land. Some of his neighbors who had rich relatives and friends in the East negotiated loans on a little better terms. They did not have to pay any agent's commission. They were able to act as their own agents and thus by that fact earn or save the amount of such commission. But where there were a few such favored farmers there were others whose necessities forced them to pay even greater bonuses on loans than this average farmer. Some paid in 1870 as high as two per cent a month on farm loans, counting the agent's commission and interest. The average interest paid was not far from that of the case cited, sixteen per cent per annum."

"Pardon me a moment," said young Yeomans. "I wish to remark upon the correctness of your statement, Mr. Hayseed. If my father were here to give his experience in Minnesota in borrowing money, he would draw a stronger picture, especially if he were allowed to go back to 1860 for his figures. He bor-

rowed money in Goodhue County in 1860, giving a bonus that made his rate of interest over four per cent a month and the public deed records in the office of the recorder of deeds for our county show mortgages foreclosed with rates of interest stated in the mortgage notes of ten per cent a month. But while these high rates prevailed in the days of Minnesota as a territory and in the early sixties, the supply of money so increased before 1870 that it had fallen to about the figures stated by Mr. Hayseed, sixteen per cent a year on an average."

After young Yeomans had concluded his remarks, Mr. Hayseed resumed:

"In trying to show the debt-paying power of the average farmer in 1870 and 1894, I will assume that he raised an amount of corn, oats, and wheat that was the average for the seven states west of the Mississippi River. He was therefore more successful in 1870 and in 1890 than was the man devoting his attention to wheat-raising alone. The average home or farm value for the grain raised by this farmer in southeastern Minnesota in 1870 to 1874 was 44.3 cents a bushel in currency. At this price the farmer had to raise and dispose annually of 361 bushels on an average to meet his interest payments on his $1,000 mortgage. It was a hard task, and when it was done and taxes paid and family clothed, the farmer had left but little to set aside as a sinking fund to meet his mortgage when it came due. If he had good crops and good prices he finally succeeded, otherwise he lost all by foreclosure, as hundreds did in southern Minnesota

from 1869 to 1881. The same average farmer located, in 1890 to 1894, 300 miles farther to the west and northwest, and raising wheat, corn, and oats in the same general proportion, has a farm and borrows money to improve the same. He finds money in terms of gold and of grain cheaper than twenty-five years ago."

Here Mr. Coin interrupted him by saying, "You have made a mistake. The price of money cannot vary when stated in terms of money. It can only vary in terms of the commodities which it will purchase."

"I shall have to beg leave to differ with you," said Mr. Hayseed. "That is the great fallacy of all persons belonging to your school of finance. The best test for the value of money is the one described by Poor Richard in his almanac 100 years ago. He said, 'If you would know the value of money, go and try to borrow some.' The relative value of money is measured at two different times by the rates of interest charged for its use. When the value of money increases, its rate of interest increases, and the reverse. Hence, I say the value of money may vary in terms of money."

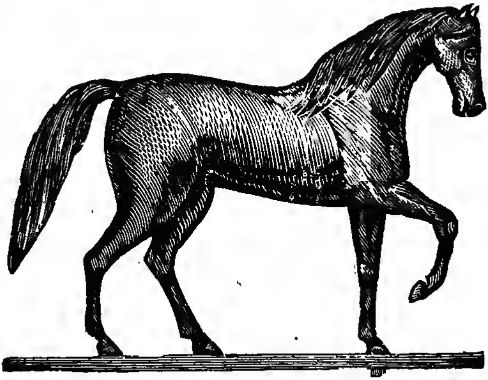
Here Mr. Coin interrupted. He said:

"The money paid for the use of money may vary, but that is a different thing from the value of money itself. I may go to the livery in this city and can hire a horse to-day for one-half of what I could ten years ago, but I can also buy that horse for one-half of what I could at that time."

"Is there then any connection, Mr. Coin, between the money needed to hire a horse or the commodity and the value of that horse or commodity?"

"Of course, a very close relation. The one varies with the other."

"Then you and I must agree about money. We differ only in the way of stating the same thing. You say the sum paid for the use of a commodity varies with the value of that commodity. I won't quarrel with you. The fact to which we both agree in reality is that the value of money as of other commodities



THE VALUE OF A HORSE OR OF MONEY DECREASES WITH THE MONEY CHARGED FOR ITS USE OR INTEREST.

varies from time to time. That changing value is indicated by the changing sum charged for its use. The interest rate in the West having fallen in twenty-five years one-half, the value of money has thus fallen one-half."

"But I say the use of money is different from money itself," insisted Coin.

"You make a distinction without a difference since you say the hire of a horse varies with its value. The

falling mercury is neither the same as nor the cause of the cold weather, but it measures its intensity. So the varying rate of interest measures the varying value of money in the markets of the world. The value of a horse, as of money, decreases with the money charged for its use or interest. The value of money in the West in 1870 was such as to enable its possessors to demand and secure from twelve to twenty-five per cent per annum for its use. Interest paid in money was the measure of the value of money to both lender and borrower. Money measured the value of money in as true a sense from this point of view as commodities measured it from another. Now, where money measured in money was worth from twelve to twenty-five per cent of itself each year in 1870, it was worth only eight per cent, including commission, in 1894. The average farmer, whom I selected to use as my illustration, thus could buy the use of money at one-half what he paid for the same in 1870. At eight per cent he had to pay only eighty dollars per annum for his interest. This would call for only 214 bushels of his grain, when his interest twenty years before used up 361 bushels."

"But with the decreased price of 1890 to 1894 that would make but little difference," said Coin.

"That may be in connection with your theory, but in practical business affairs any farmer can tell you to the contrary. The farmer in 1890 to 1894, after paying his interest out of the 361 bushels of grain used up for interest, has left 147 bushels of a home

cash value of $55.00. If the farmer sells this grain and uses it as a sinking fund it will enable him to pay off his principal in twelve years without the expenditure of another cent from any other source. The value of money expressed in money and grain had so decreased that what grain before the silver law of 1873 barely sufficed to pay interest on a $1,000 loan would in 1890 to 1894 have been enough to pay the interest and to liquidate the principal also in twelve years. In terms of grain, money had become cheaper as well as in terms of money or interest."

"Please tell us, Mr. Hayseed," said young Yeomans, "what the result would have been if a comparison had been made on the basis of the average currency value of corn, oats, and wheat in these seven states in the ten years 1870 to 1879."

"The average currency home values of these three grains between 1870 and 1879 were 37.5 cents a bushel. To pay the interest of $1,000 at sixteen per cent in those earlier years would have called for 427 bushels of grain. This in 1890 to 1894 would pay the interest at eight per cent on the same loan and leave eighty dollars to be placed in a sinking fund for the liquidation of the principal. This would pay off that principal in a little over nine years. This is the truest and best illustration possible of the relative average burden of debt upon the Western farmer now and twenty-five years ago. The modern Shylock may be demanding his bond of the farmer and get it. However, it does not take the farmer's blood, or even flesh, to meet it,

as it did in these Western states in 1870 or even in 1880. Much less does it take that blood as in the earlier years 1860 to 1865."

"But, Mr. Hayseed, you must admit that debts have not lessened in the passing of the years since 1873," said Coin.

"In that you are wrong," replied Hayseed. "Debts of all kinds have decreased. You are also wrong when you say, as you have in your books and lectures, that it is now more difficult to pay debts than in 1873. The whole question turns upon this ability to meet debts. The farmer and all other debtors have their conditions improved in proportion as their ability to meet and discharge debts increases. The simple decrease in interest rates, the lessened value of money in terms of money, has rendered it easier to meet debts than before the silver legislation of 1873. But the Western farmer, in the matter of meeting his debts, has gained in other respects even more than by the lessened value of money in terms of money. By improved methods of farming he is able to cultivate nearly twice as much land with the same amount of human labor as twenty-five and thirty years ago. As a result where, in 1870, by a certain amount of labor he could raise 427 bushels of corn, oats, and wheat to pay the interest on $1,000, he can now raise from 600 to 700 bushels. That amount of grain in 1890 to 1894 would, according as the smaller or larger figures are found to be more correct, have sufficed to meet the interest charges and pay off the principal in three or four years. In other words,

the labor, which from 1870 to 1879 barely sufficed on a Western farm to pay the interest on a $1,000 loan, in 1890 to 1895 would have enabled the farmer to pay the principal and interest on such a loan made Jan. 1, 1890, before the close of the year 1894. In terms of labor, the value of money has lessened even more than in terms of money or rates of interest."

Here Coin interrupted with the remark:

"There must be some error in your reasoning somewhere, Mr. Hayseed. I think your argument is a *reductio ad absurdum.* It contradicts itself by the very extreme conclusions to which it leads. It flies in the face of everything that is known about Western farm mortgage debt, everything that the farmers of the West have to say about the matter. Debts are increasing faster relatively than farm property, and foreclosures are increasing faster than either. Look at the increase of mortgage debt as shown by the census for 1890. You must be crazy, Mr. Hayseed, when you assert that the value of money has decreased in the West in twenty-five years. You are led away by your theories. Why, Mr. Hayseed, whenever our theories, put in practice, lead to a contradiction of well known facts we should know ourselves, what all sane people perceive, that our theories are false. Facts are stubborn things and fancies must all give way before them. Theories and beliefs are as powerless to stand before facts as a bull is to stop a moving locomotive."

"That is just what I have been trying to show you, Mr. Coin," said Farmer Hayseed. "I am simply trying

to get you to look at the farm facts here in the West squarely in the face. I have shown you that where your theories call for a decline of a home gold value of farm products since 1875 of one-half, there has been a great advance on the average in these Western states. Your theories making money more scarce would call for doubled interest rates. I have called your attention to a decline of one-half. I have pointed to the undisputed fact that labor is more efficient on the farm now than formerly and that men can till more corn, wheat, and oat land than formerly, and that as a result a given amount of labor, which twenty-five years ago barely sufficed to pay the interest on a given loan, will pay that interest and in from three to five years pay the principal as well. Here are the facts of the case, no one of which you can dispute. And yet, sitting on your bull of theory about the evils of silver legislation you are trying to stop the momentum of those facts. Better get out of the way of such facts or you and your bull will both get hurt."

"But you don't meet the facts to which I call your attention, the growing farm mortgage debt of the Union; the increasing foreclosures of those mortgages; the increase of farm debts faster than the value of farms," said Coin.

"Oh!" said Farmer Hayseed. "Let us see. You have said in your illustration with two balls representing property and debts that the ball that represents debts will not decrease. Its present tendency is to grow larger. The value of property represented by

the larger ball is shrinking and will continue to shrink and hence the two balls, or the value of property and of debts, will more and more approximate one another. Do you mean to say this is the case of all these Western states as well as of the world?"

"It is true of every state and nation. It is a fact based upon the immutable laws of finance as well as of common sense," said Coin.

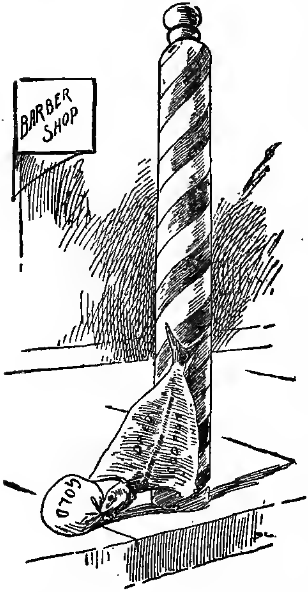
"I am sorry that I shall have to tell you to take your bull, which you call the immutable laws of finance, out of the way of my locomotive of facts or take the consequence," replied Farmer Hayseed. "First, I ask you to look squarely in the face the facts about farm mortgage debt in such a state as Minnesota, which is a type of all the Western states. I will take the census figures for 1890. They show that the mortgage debt in Minnesota upon farms used as homes was in that year $37,709,574. This sum did not include mortgages upon leased farms which, however, we are told was a small relative amount. The total farm debt was therefore somewhat larger than the sum represented by the figures just given, and yet it did not much, if any, exceed $39,000,000. The mortgage debt of the same class of property in 1880 can readily be shown to have been thirty-five or thirty-six million dollars. The mortgage debt of Minnesota farms increased in the ten years from 1880 to 1890 only three or four million dollars. But, while the farm mortgage debt in ten years increased only three or four million dollars, the farmers increased their resources in the

form of farming machines and implements $3,826,690. The increase in this one item of farm resources balanced the increased farm debt. But the increase in the value of farm machinery in ten years was but a small fraction of the increased wealth of the farmers of Minnesota. In the ten years, in which three to four million dollars were added to the amount of their debt, they increased their wealth in live stock $26,820,862 and the value of their farm lands, $146,335,210. The increase of Minnesota farm debts in ten years was only 2 or 2.5 per cent of the increase of the values of farm property. Property increased forty times as fast as debts. How long, Mr. Coin, would it take at this rate of increase for the farm debts of Minnesota to equal the value of the farm possessions? You seem to hesitate for an answer. Let me tell you. It will take as long for these farm debts to overtake the farm resources and envelop all the farmers in such a ruin as you paint, as it would for a dried codfish to climb a barber pole, tail first, with a bag of gold in its mouth."

Here young Yeomans, whose home was in southern Minnesota, said:

"Mr. Hayseed, your figures do injustice to that portion of Minnesota in which I reside. I refer to the oldest settled section of the southeastern part of the state. In the twenty-three oldest settled counties in 1880 the farms were worth, according to the United States Census, $124,488,668. The value of the same farms increased so that in 1890 they were worth $158,-

813,671. Here is an increase of twenty-seven per cent in farm values in a section of country where Mr. Coin's theory calls for a decrease of from thirty to fifty per cent. Property increases in value where he says there is a decrease. How is it with debts? These, he says, remain the same if they do not actually increase. The facts disclosed by a study of the census figures are the very opposite of those which Mr. Coin asserts, not from an appeal to the records, but merely on the authority of his theories. The mortgages recorded in this group of counties, against all acre property, in this same ten years decreased 22.7 per cent in number, 27.4 per cent in the acres covered and 14.9 per cent in the amounts involved. But a large share of the mortgages at present recorded in these twenty-three counties on acres are not against farms, but against speculative and business property of various kinds. Taking account of this fact, the Minnesota Bureau of Labor found that the relative amount of mortgages on farms in these twenty-three oldest counties had in 1890 decreased to forty per cent of its proportion ten years before."



DEBTS OVERTAKING WEALTH.

"Then," Mr. Hayseed said, "the facts about mortgages in Minnesota show that there is a decrease of over half in debts and an increase of twenty-seven per cent in property where Mr. Coin's theories call for an increase of debts and a decrease of property. The facts all contradict the assumption about values and debts of every kind claimed or asserted by the advocates of the free coinage of silver. The investigations of the Minnesota Bureau of Labor showed in all parts of the state an increase in the value of farm wealth and an actual or relative decrease in the amount of farm mortgage debt. What is true of that state is doubtless true of all the twelve states for which I have given statistics of the prices of farm products. Now what can you tell us, Mr. Yeomans, concerning the relative frequency of farm mortgage foreclosures in Minnesota at the present time as compared with those of ten, twenty, or thirty years ago?"

"In the sixty-five agricultural counties of Minnesota in 1881 the State Bureau of Labor found 1,166 foreclosures on acre property. The amounts of those foreclosures were $1,210,113 and they involved 132,250 acres of land. Eleven years later, in 1892, there were 743 foreclosures on acres in these counties, the amount of foreclosure sales was $724,637 and involved 108,423 acres. The acre foreclosures in eleven years decreased for the state nearly fifty per cent during a period in which the farmers nearly doubled their wealth. This is for the state as a whole. In the twenty-three oldest settled counties, in which the value of farms in-

creased in ten years twenty-three per cent, the farm foreclosures so decreased in the fourteen years 1880 to 1894 that they were only one-tenth as numerous relatively in 1893 as in 1880. The decreased foreclosures here noted correspond with your facts and statistics, Mr. Hayseed, concerning the advanced value of farm products and the decreased value of money and contradict all of Mr. Coin's theories about the effect of silver legislation upon the industrial classes in the West."

"It is as I said a moment ago, Mr. Coin. You will have to take yourself and bull off the track in front of the moving locomotive of fact, whether relating to the value of farm property, farm produce, or farm debts. The silver question is one that must be settled at last by facts. Theories about silver and money however fanciful, cannot long stand before the momentum of truth. The American people want the whole truth about silver as money and the recent changes in prices, wealth and debt, and will have the same. When they gain that truth the silver bull of fancies will perish." (See illustration, page 4.)

Thus remarked Farmer Hayseed at the conclusion of young Yeomans' statement about the foreclosure of mortgages in Minnesota. Then turning to Yeomans again, he asked:

"What can you tell us further about foreclosures on farms in Minnesota in the years before 1880?"

"They were more severe than in 1880 or 1881. Fore-

closures have risen or fallen for a long time with the prices of wheat and the production of that cereal. When wheat prices were high, foreclosures were fewer in number, and when wheat sold for a small price foreclosures were more numerous. Good crops lessened foreclosures and poor ones increased them. The heaviest relative amount of farm foreclosures in Minnesota occurred just at the breaking out of the Civil War, in 1860 and 1861, and then in the years 1869 and 1870. In those periods about thirty per cent of the mortgages executed were foreclosed. In 1889, 1890, and 1891, years of excessive foreclosures in Minnesota, the foreclosures were relatively only one-fifth of what they were in 1869 and 1870, four years before the so-called demonetization of silver. The farmer in the Red River Valley with low prices of wheat has only a fraction of the foreclosures of the wheat farmer of southern Minnesota, three or four years before what Mr. Coin calls the crime of 1873. In the oldest counties of southern Minnesota the foreclosures of recent years have been less relatively than business failures in the United States at any time in the past seventy-five years."

Turning to Mr. Coin at this moment, Mr. Hayseed said:

"Do the greatest number of failures ordinarily occur in the business world in times of decreasing or increasing incomes?"

"They occur always with decreasing incomes. The failures to-day are proof of the crushing and destructive effects that have followed the crime of 1873."

Mr. Hayseed made no special comment upon this reply. He merely asked:

"If we find for any class of people, at two different times or places, that the number of failures is two or five times as great in one as in the other, what inference ought we to draw from the fact?"

"We should conclude that the average net income of the class investigated was only one-half or one-fifth as great relatively in the times when the most failures occurred as when the fewest."

"Let us apply your answer to the farmers. Here is an exhaustive study of mortgage foreclosures, or financial failures, among the farmers of Minnesota for twenty-five years. Mr. Yeomans has called our attention to it. It was made by the Minnesota Bureau of Labor. It showed that the wheat farmers in the Red River Valley, 300 miles farther from the consumer than those of southeastern Minnesota, had in 1889 to 1891 one-half the mortgage foreclosures of the farmers of that southeastern section in the years 1880 and 1881 and one-fifth the foreclosures of 1869 and 1870 or in 1859 and 1860. In 1892 and 1893 the foreclosures among those Red River farmers were less than one-tenth as numerous relatively as among the farmers of southeastern Minnesota three and four years before the crime of 1873. The foreclosures of

1889 to 1891 were in the Red River region mainly caused by frosted wheat and other injuries to the crops. Those of 1869 and 1870 and those of 1892 and 1893 were caused alone by low wheat prices. To show the ruin wrought by the crime of 1873 upon the wheat farmer of the West, we must compare the foreclosures of 1892 and 1893 in the Red River Valley with those of 1869 and 1870 in such counties as Mower and Goodhue. Doing so, we see how the farm failures have been decreased by the crime of 1873 to one-tenth of their former proportions. If your 'crime' has this effect upon farm foreclosures, give us some more of it and give it quickly, so that we may decrease these farm failures to one-tenth their present proportions."

"Your figures do not show all the changes for the better in the farmer's condition," said young Yeomans. "These Red River farmers have to see their wheat pay freight charges for a haul of 250 to 300 miles or from ten to fifteen cents a bushel to bring that wheat into as favorable a situation with the markets of the world as was that of the old farmers in Goodhue County in 1869 and 1870. The wheat farmer of Minnesota can raise wheat, pay ten to fifteen cents more relatively per bushel for hauling it to Liverpool and yet realize in 1892 and 1893 a net profit that reduces the failure to one-tenth the proportions three or four years before the crime of 1873."

"But," said Coin, "times have changed since 1869. The farmers have the benefit of better machinery and

better methods of farming. These should reduce farm foreclosures."

"All true," replied Hayseed. "But you should think of this when talking of a decrease of prices. These improvements everywhere lessen the cost of production and hence sooner or later must affect prices. Those improvements explain all the depreciation of prices which you claim was caused by the so-called demonetization of silver. Farm prices in the United States have not in the great centers of production been as yet affected by these changes, save with reference to the two staples of export,—wheat and cotton. Competition with foreign cheap labor robs the farmer with reference to these two staples of the benefit of twenty-five years of industrial progress. He loses nothing upon other and greater staples marketed at home. Just contrast the price of potatoes with that of wheat. They are everywhere in the United States worth more than in 1873."

"Yes," said Coin. "But we don't raise potatoes nough as a nation to supply our demands."

"Greater fools, then, we must say, are the farmers who go on raising wheat and complaining of low prices. Here are potatoes with prices advancing for twenty-five years because not enough are raised. If a farmer can make fifty dollars net for an acre of potatoes and raises an acre of wheat with two dollars net income from it, he may delude himself that he is ruined by the low prices of wheat caused by the crime of 1873.

POTATO FAMILY LAUGHING AT WHEAT FARMER, WHO RAISES GRAIN AT A LOSS WHEN DIVERSIFIED CROPS WOULD SECURE A PROFIT.

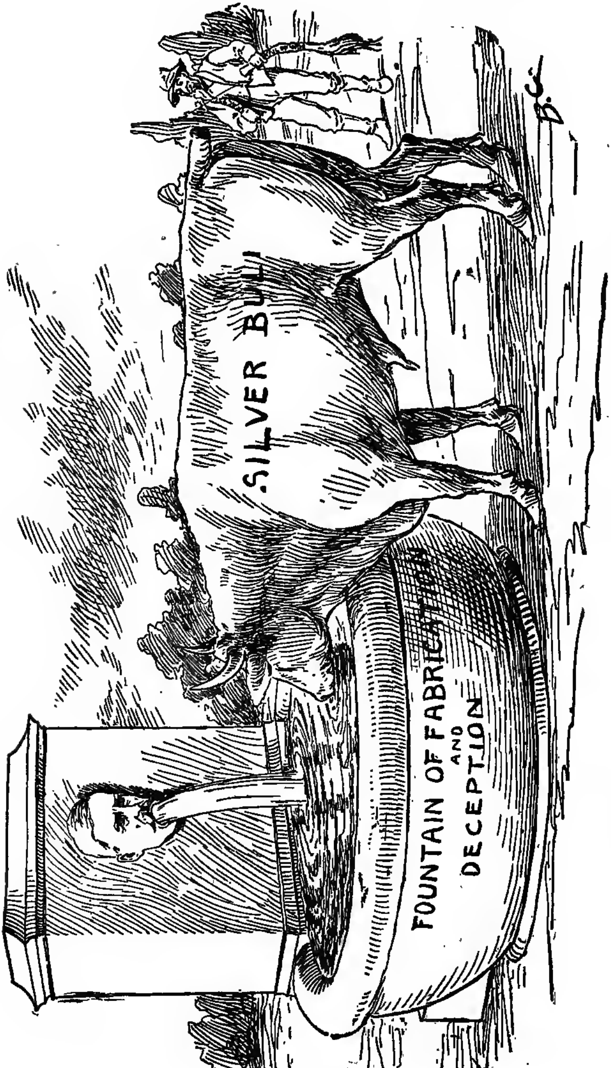
Any hard-headed man knows the farmer is not affected by silver legislation. He is ruined because he is a fool to raise wheat at a loss when he might raise something else with a profit.

"In fact we can fancy the Potato family sitting on the fence and laughing at the wheat farmer and wheat and telling them as the simple of mind to come to them and learn wisdom, the secret of making money. Cultivate crops for home markets at a profit and not raise them for the benefit of foreign customers at a loss."

"The experience of the farmers in southeastern Minnesota confirms the thought," said Yeomans. "Finding wheat prices declining owing to foreign competition, those farmers went into diversified farming about ten years ago. As a result the farm foreclosures are less than one-fifth of those of the wheat-raising farmers of the same state. They have reduced their farm failures to less than one-fiftieth of what they were in 1869 and 1870."

"Here," said Hayseed, "you see the force of Poor Richard's advice: 'Industry pays debts, while despair increaseth them.' Coin here utters the cry of despair over a fictitious crime against silver. Debts in fancy are increased for the land. Some men fold their hands and the actual debts increase. They keep on in their old way raising wheat. They won't learn anything. They pay the penalty. Others diversify crops and learn how 'industry pays debts.' They owe, as in southern Minnesota, one-third as much

relatively as in 1880 and lose one-fiftieth part as much by mortgage foreclosures as in 1870. Well might such farmers apply by modification an old proverb to the wheat-grower of the Northwest, who is complaining of hard times caused by silver legislation: 'Fools raise wheat, and wise men eat the bread made therefrom.' The simple of mind talk about silver, but the wise by industry acquireth the same. But leaving this digression about methods of successful farming, let us not forget, Mr. Coin, the moving locomotive of facts confronting your bull of fancies about the results of the silver act of 1873. Farm prices in the great productive farm regions of the United States in twenty-five years have increased. The purchasing power of farm labor has increased. The cost of producing farm staples has decreased. Rates of interest, measuring the value of money, have decreased. Farm mortgage foreclosures have decreased to a greater relative degree than debts. How and where shall we find the ruin wrought among the Western farm debtors by what you call the crime of 1873? Your silver bull has lost its tail of woe and, I fear, like Mary's little lamb, will never, *never* find it again, unless it drinks at the fountain of fabrication and deception, where all evil spirits are retailed."



TRYING TO SPROUT A NEW "TAIL" OF WOE FOR THE SILVER BULL.

CHAPTER VI.

ONE HUNDRED YEARS OF LEGISLATION CONCERNING GOLD AND SILVER.

"Private credit is wealth, public honor is security, the feather that adorns the royal bird supports its flight; strip him of his plumage and you pin him to the earth."

—*Junius Letters.*

"Look here, upon this picture, and on this."

—*Hamlet.*

Coin had been uneasy all the evening. He did not like the subject of conversation. The longer they talked of farm prices, farm debts, farm mortgage foreclosures, and the like, the less he enjoyed it. He bore it until with the last remarks of Hayseed it became unbearable. He determined to make a break. He began by saying:

"Hard times are with us. The country is distracted; tens of thousands are out of employment; the jails, penitentiaries, workhouses, and insane asylums are full; the cry of distress is heard on every hand; commerce is at a standstill. It is time for wisdom and sound sense to take the helm. We must return to the customs of our fathers before these evil times came

upon us, before the crime of 1873 robbed the people of their right of the free coinage of silver."

To this Mr. Hayseed replied:

"If you think that by a return to old financial laws and regulations you will escape the evils to which you so graphically call our attention by your school-book and lectures you are greatly mistaken. The suffering, the want of employment, the increase in the number of hungry and half-starved men in 1893 to 1895 does not equal that of 1857. At that time men known in the Eastern States as 'Codgers' filled country women with fright. They were the same class of people which under later financial disaster became known as 'tramps.' The condition of affairs in 1837 was worse than in 1857, and so if we would escape the evils of to-day by flying to those under the financial condition which you praise, we would but jump from a half-warmed frying-pan of discontent into the seething flames of industrial torment.

"Uncle Sam has passed through many seasons of hard times, low prices, panics, and is not now to be frightened by them or by any bogies or artificial lightning bugs, however labeled, that designing demagogues lying in wait for him by the way may flout in his face."

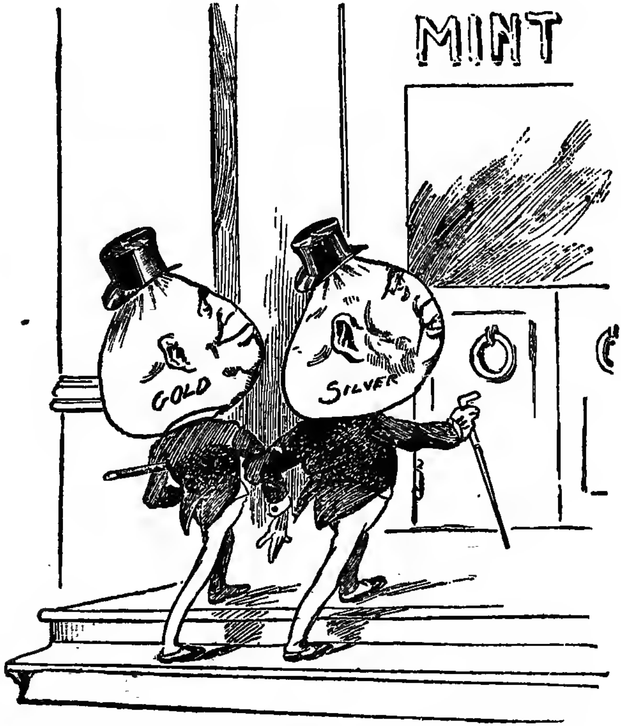
Coin saw that the old farmer had read American financial history too much to be led away by any such a tack. He knew how the sufferings and losses to be noticed in modern industrial circles were slight when compared with those of fifty or seventy-five years ago.

UNCLE SAM UNFRIGHTENED BY MANUFACTURED BOGIES.
[From San Francisco Wasp.]

Nevertheless he delighted to talk about them with those who were unread in the annals of the past. Mr. Hayseed's answer showed him that it was dangerous to converse long with him on that subject. He took another tack. He said:

"But you know, Mr. Hayseed, that under the earlier coinage laws of the United States, those of 1792, 1834, and 1853, we had down to 1873 gold and silver walking arm in arm into the mint of the United States. The

unlimited demand for them created by free coinage always enabled these two metals thus to enter that monetary institution of the land on a parity of condition."



GOLD AND SILVER ENTERING THE MINT ARM IN ARM.
[From Coin.]

"I know quite well," replied the farmer, "that gold and silver walked arm in arm into the mint from 1792 to 1853, but after a short stop in that institution they

walked out and at the door they shook hands in farewell. They were never seen in company together among the people, nor did any farmer or laborer in the land ever see them together save on the steps or within the walls of the mint. The two metals never circulated together. The history of United States money illustrates in finance the truth of a saying we plain farmers have. A child can lead a horse to water, but an army of men cannot make him drink. Your 'unlimited demand of free coinage' led a limited amount of these two metals into the mint. It was as powerless to make them walk together among the people as for an army to compel a horse to drink out of the river. The coinage laws regulate the entrance of metals into the mint. They are powerless to regulate their circulation."

"You are mistaken," said Coin. "If you had listened to my sixth school lesson you would have known better. I there called for the enactment of a law making it a forfeiture of the debt to discriminate in favor of one form of national currency as against another. Our national currency should be as sacred as our national flag. The Government should not allow any discrimination between gold and silver."

"Such laws as you suggest," said the farmer, "are as powerless as the pope's bulls against a comet. They have been tried time and again in history. Turn to Macaulay's History of England, Volume 3, and read

his account of the effort of King James to enforce such laws in Ireland. Not only were debts forfeited, but men were imprisoned and threatened with death to make them take the king's money. It availed not. The law of supply and demand and not the statutes of kings and congresses regulates the circulation of gold, silver, and other metals as primary money."

"But the United States laws for fifty years enabled gold and silver to enter the mints arm in arm for free coinage."

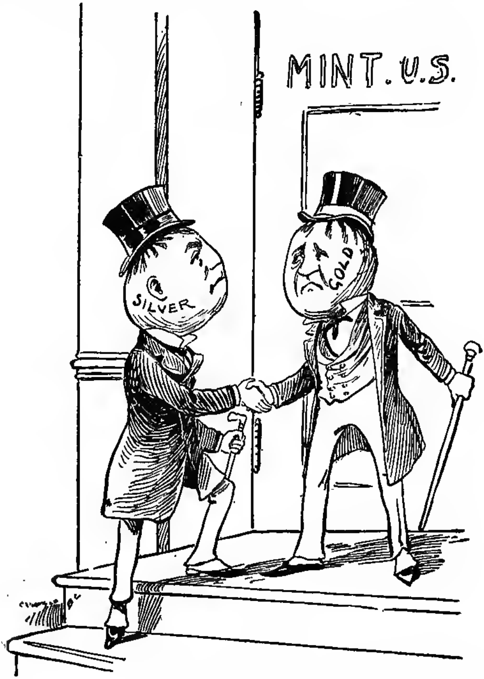
"True; but they never circulated as the result of law. The law of 1792 authorized a gold dollar to be made with one-fifteenth as many grains as the dollar of silver. The demand and the supply of the world for gold as a commodity of exchange gave it a greater value, and hence of the twenty odd million dollars of gold coined before 1834 there were in the United States in 1834, according to the report of the Secretary of the Treasury in 1836, only about $1,000,000, and of that sum only a diminutive portion was in active circulation."

To this Coin replied:

"Gold is the money of the rich, and the bankers have it in their possession and transport it as they can secure a profit to their advantage. Silver is the money of the common people, and the bankers cannot control it. Hence gold should be made subordinate to silver. Its value should be reduced as it was in

1834 as compared with silver, and so make it circulate side by side with that metal. The law of 1834 was calculated to correct the evil of which you speak and keep gold in America. That law established the ratio of sixteen to one for the two metals. It did succeed in attracting and keeping gold in circulation in our midst."

"Quite true, Mr. Coin; and yet American-coined gold and silver parted as before, at the mint door. The only difference is, that now silver took its departure to foreign lands, while before 1834 gold bade its companion farewell for a voyage across the seas. Ameri-



GOLD AND SILVER SHAKING HANDS IN FAREWELL, 1792 TO 1854.

can-coined silver gradually left the hands of the people for the merchants' coffers and thence it passed to the bankers. They care nothing for metals. They like to make a profit on silver as well as on gold and hence shipped it out of the country to realize its price as a commodity above that established by the law of congress. But while the bankers shipped American silver coins out of the country, they brought old, worn, and depreciated Spanish and Mexican coins in and placed them in circulation. These coins were many of them worth less then eighty cents on a dollar of their face value. Men quarreled over them. They passed current so long as the Spanish pillars on them could be perceived. Often I have seen these coins placed on a hot stove to bring out these pillars. The act of congress could take silver to the mint arm in arm with gold, but in the face of the greater law of supply and demand, American silver left the land. Power could not make this silver horse drink any more than it had the gold one before 1834. That act made silver the bankers' money. The bankers are not such fools as you paint them, Mr. Coin. They do not choose the money by its color or weight, but just as they can make a profit on it."

"But, Mr. Hayseed, you ought to know that American-coined gold and silver began to circulate together after 1854. They then began to walk together among the American people."

"It is true, Mr. Coin, but after they ceased to enter the mint on an equality. The American silver in circulation was none of it coined under a free coinage provision after 1853. It has never entered the mint arm

GOLD AND SILVER WALKING TOGETHER AMONG THE PEOPLE SINCE 1854.

in arm with gold since that year. It had been purchased by the Government as a commodity. It has been coined at a profit. This treatment of silver as a commodity by the Government and its coinage into token money was more effective in putting it into circulation than free coinage. In 1853, under free coinage of silver at the ratio of sixteen to one, not much

American silver was in circulation. In 1894 there was in the country, under the continued application of the principle embodied in the coinage law of 1853, 615 millions of silver used in the American monetary system."

"But the act of 1873 took away the unlimited demand for silver existing under all previous legislation and the price of silver began to fall."

"Right here, Mr. Coin, I want to know what you mean by 'unlimited demand for silver?'"

"It was the demand that existed in the United States for that metal before 1873."

"Ah, I see. You use the word 'unlimited' not in the sense of 'boundless,' but with the meaning of 'vague, uncertain, or indefinite.' This was the demand for silver coinage from 1834 to 1853 in the United States. Your meaning is now clear. I can see your consistency. I can understand how the fixed definite coinage of silver as token money under the laws of 1853, 1878, and 1890 did put 100 times more silver into circulation in the United States than the 'unlimited' or vague demand for that metal created by the acts of 1834. Until I caught your use of 'unlimited' in the sense of 'vague or uncertain,' I could not see how a limited demand for a metal money would put more of it in use than an unlimited. Now it is all plain. I am much obliged for your clearing up the mystery in my mind."

"But, Mr. Hayseed, I did not use the word 'unlimited' in any such sense. I employed it rather with a meaning which approximates that of infinite."

"Be it so," said Farmer Hayseed. "You say on page 27 of your school-book, 'When the mints of the world are thrown open and the governments say, We will take all the silver and gold that comes, an unlimited demand is established.' Now I ask, What would happen if the United States should attempt to coin iron subject to the same rule as once the governments in the Old World did? Could the unlimited (?) demand, as you call it, thus created between iron and gold at the ratio of 1 to 16 or 1 to 100, or at any other ratio, be maintained?"

"No; simply because the supply of iron at any of the ratios mentioned, or at any other, would be greater than the demand."

"But, Mr. Coin, the supply of iron under such an arrangement would be limited. The present very large output of iron in the United States is of less value than the eggs which the hens of the country produce. Hence your 'unlimited demand' (?) created by free coinage is one so small and insignificant in its proportions that the hens of the land would 'cackle' it to scorn. It seems to me that before you tell us much more about the unlimited (?) power or demand created by the free coinage of silver you had better go to school to the hens and from them learn to 'cackerlate' just a little. From them you can learn at least that an 'unlimited' (?) de-

mand for silver under free coinage can never be less than can be met by such a limited supply as can be furnished by the biddies of the land. Such logic as you use about 'unlimited' (?) demand for silver under free coinage needs to be met alone by the cry of 'Shoo!'

with which the country women drive the fowls from their doors. The words 'unlimited (?) demand' are catchwords to entrap the unwary, those never looking behind the letters to the ideas which they represent."

Mr. Coin did not know what to say to this. He

stammered out, however: "The people do not want iron for money, and you cannot make anything circulate as money unless the people so desire it."

"It is the people, then, Mr. Coin, and not the governments that create the demand for any substance as money? I am glad to hear you say this, since it lets out the gas from your balloon concerning the unlimited (?) demand for gold and silver under free coinage. Governments can create no demand for the use of gold or silver, iron or copper, as money. The demand for the use of these substances as money comes from the people in business transactions. Free coinage laws are powerless to create or establish the use of gold and silver as money. The use of gold and silver as money rests not upon acts of congresses, but springs from the fiat of the Almighty, who alone fixes the supply and demand for these metals. God's fiat, and not the fiat of men assembled in legislature, makes these metals useful as money. This being so, will you kindly explain why you call the coinage act of 1873 a great crime?"

"It was the passage of the act in that year which stopped the possibility of free coinage of silver. It was a dastardly crime."

"Permit me to ask a question. How much silver had been coined under a free coinage provision during the twenty years before 1873?"

"From 1840 to 1873 there were $88,360,233 of silver coined in the United States."

"You are pettifogging, Mr. Coin. You have not answered my question. How much silver entered the mints of the United States for free coinage during the years 1853 to 1873? You hesitate. You evidently don't want to tell these young men Let me tell them. The Government in those years purchased and coined as token money $62,723,695.80. This was purchased and coined under the same general condition as governed the purchasing and coining of silver under the acts of 1873, 1878, and 1890. But while in those twenty-one years the United States purchased 62 million dollars' worth of silver as a commodity to be coined and circulated as token money, it received under the provision of free coinage from 1855 to 1867 $1,939,550 of silver. In the next six years it thus received and coined $3,584,798 of silver under that provision. None of this silver coined after 1862 was coined for use as money in this country, but for export in settlement of trade balances. It was to meet the demand of this use of coined silver in the Orient that the act of 1873 authorized the coinage of what was known as trade dollars. But counting the amount coined between 1862 and 1873 in with the other money coined under the free coinage provision of the law of 1853, we have as the total amount of such coinage from 1853 to 1873 inclusive, $5,524,348. With the exception of this small sum the Government in these twenty-one years coined no silver that came to the mint save as a commodity to be purchased by the United States as it purchased other needed supplies of the nation. Hence, I say,

silver ceased to enter the mint arm in arm with gold in 1853 and not in 1873. In 1853 the two metals for the first time began to walk side by side and to circulate on equal terms among the people in trade. How was the people robbed by this legislation, either of 1853 or 1873? Silver was not demonetized. It is still money. The United States now uses five dollars of silver as money to one in any year before 1873. This silver is all a legal tender for debts."

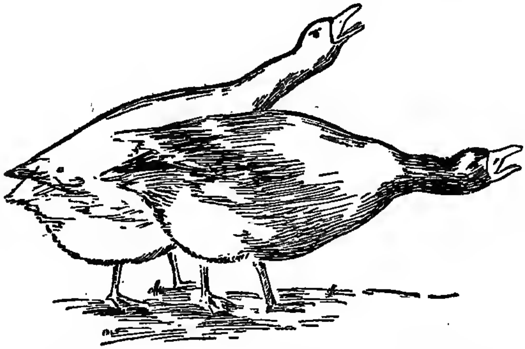
"But silver is no longer primary money even though it is still a legal tender to pay debts. It is not the money of redemption. Silver is a token money. It is redeemable in gold. The value of property is determined primarily by the amount of redemption money in use in any given country and property has fallen in the United States since 1873 by the relative amount of silver which has been reduced from actual money to token money. It has been reduced to the degree in which our stock of primary money has been lessened."

"For the sake of argument, I will, Mr. Coin, grant all the foregoing assumptions, although I am frank to say they involve many fallacies and some misstatements. But granting them all, let us see to what conclusions they lead us. But first permit me to ask you a few questions. You are not willing to reckon any token money as money of redemption?"

"No, sir. Token money is redeemable money and not money of redemption. It has nothing to do with fixing the prices in a nation. I am not going to allow you to claim any of the silver purchased by the United

States under the Bland or Sherman acts as a part of the ultimate money of the land. It has no part in fixing prices."

"Very well, then. Now, please tell us how much silver money there was in the United States in 1873 other than token money? In answering I am willing you should make the largest possible estimate. I am willing that you should count all the silver hidden away in stockings or banks, but not in actual circula-



"WHAT IS SAUCE FOR THE GOOSE IS SAUCE FOR THE GANDER."

tion among the people, owing to the suspension of specie circulation from 1861 to 1879."

"Up to 1873 the United States had coined over 145 million dollars of silver and there had been introduced over 100 million dollars of silver coins of other countries."

"You must take us all for fools, Mr. Coin. You have not answered my question. All these foreign coins were depreciated because worn and worth on an aver-

age only about eighty cents on a dollar. They were worth far less than the United States token money before 1873. By your definition, which you wish us to apply to the present silver coinage of the land, those worn foreign coins could not be called money of redemption, even though legal tender. Neither could the token money of the United States be recognized as primary money. It was money to be redeemed in standard money the same as the token money of to-day. Striking out all these forms of token money, I again ask how much standard silver money was there in the United States in 1873?"

"If you insist upon that construction, I will have to say there were practically no silver dollars or other silver money of redemption in the land at that time, and only $5,000,000 of subsidiary silver money. But you are unfair in your requirements, Mr. Hayseed."

"What is sauce for the goose is sauce for the gander, Mr. Coin. You insist that token money is not money of redemption or primary money now. It could not have been in 1873. Now, how much gold was there in circulation in 1873 in the United States?"

"I cannot tell you exactly. There were $25,000,000 of gold in circulation at the time in California. If, however, you will allow me to count the sums hidden away in stockings and banks and other sources I would say there was a total stock of gold in the United States in 1873 of about 135 million dollars. That is the estimate of the Treasury Department in the matter."

"How much gold or primary money was there in circulation or on hand in the United States at the time of the panic of 1893?"

"There were 597 million dollars of gold in the United States July 1, 1893, of which 408 millions were in active circulation."

"Was this greater actually or in proportion to the population than the redemption money in the country in 1873? Can you tell us, Mr. Coin?"

"The redemption money in circulation in 1893 was over sixteen times that of 1873, and the per capita of such redemption money increased in the two decades to ten times its earlier proportions."

"Quite right, Mr. Coin. Now, please repeat in this connection what you have said concerning the effect upon prices of the amount of redemption money in a land."

"Prices are increased with an increase of redemption money and decreased with a decrease in such money."

When Coin said this he was unable to look his young friends in the face. He had told them how the redemption money of the nation had been lessened in the United States by the silver legislation of 1873. He had told them the present low prices were due to that lessening of the amount of redemption money. Now he had been forced to admit that the stock of redemption money on hand or in circulation in the United States had increased several times in twenty years. His theories, if true, would call for an unheard of ad-

vance in prices. He was in a frightful dilemma. He saw that, if the young men had even ordinary common sense, they would understand how he had dealt in half-truths and out of them made the worst sort of lies. He knew that they would understand the fallacy of all his rubbish about the effect of silver legislation upon prices and begin to look for the actual reason for the existing hard times and the suffering and want in the world, which is the last thing such as he cared to remove or alleviate. He repeated his stale remarks about prices and amounts of primary money without ever thinking what he was saying. He was dazed at having the old farmer puncture all his misstatements of facts. But after he had spoken he saw the frightful admission that he had made and essayed again to change the subject of conversation.

He could not exactly see his way out of his dilemma. He recalled the advice of the old Methodist preacher to the novice: "When you are preaching and cannot think of what to say, pound the pulpit and holler." As applied to this silver discussion he had always understood the advice to mean: "When you are cornered beat the air and 'holler' about the crime of 1873." He therefore began by saying:

"I must call your attention to the crime of 1873, by which John Sherman with one stroke of the pen assassinated silver and showed how much more powerful is the pen than the sword, since he accomplished by it what foreign nations by war would not have been able to compel us to enact into laws."

"Are we to understand, then, Mr. Coin, that silver as money is dead and has been since 1873?" inquired a medical student who was present.

JOHN SHERMAN KILLING SILVER.

"Yes, sir; and that single act of Sherman has been more potent for evil than any other act of man."

"Then I wish to ask," said the young doctor, "how, if silver has been dead for twenty-two years, you are

going to resurrect it again as money. I had an idea that it was pretty hard to revive anything dead. Up at the medical school we sometimes attach a battery to a corpse and start the dead into motion. Occasionally the motions seem horribly realistic and life-like. But when the electricity is removed the corpse is just as dead as before; in fact, it seems to be as dead as Mark Twain's mummy. Did not silver live as well as gold, and did they not act as money thousands of years before any nation essayed to make laws about their circulation. Iron and copper once were thus used as money, but are now as dead as Julius Caesar. No act of the state can revive them. James of England tried in Ireland to restore copper to its former life, but it was dead and his experiment failed. Now if silver was assassinated and is dead we may all weep over the corpse. But it will do no good. Tears will be as powerless as laws to revive the dead."

"But," interrupted Coin, "silver is not dead as money among commercial nations in any such sense as iron and copper. It still performs its old function among all of the Oriental nations, making up over one-half the race of men. It is just as much money there as it ever was. Then it is used to a large extent in settling international balances between the various nations and especially between Europe and Asia and South and Central America. The United States also employs silver in balancing its international trade to a considerable extent. Silver is also used in Europe and the United States as money, although not as

money of ultimate redemption. In fact in the old function of money as a legal tender to pay debts silver is used in Europe and the United States to an amount of over $500,000,000 more than in 1873. That amount of silver has been added to the circulating medium since that year. Hence while silver was assassinated in one sense of the word in 1873, it is not really dead. It is very much alive, as the bankers and goldbugs will soon find, to their surprise and regret."

"Then we are to understand," said the student, "that when you speak of the assassination of silver you use the word in a Pickwickian sense. The act of 1873 did not affect silver in the least in three-fourths of the world,—in the Orient and in South and Central America. The United States and Europe have since that year added 500 million dollars in silver to their monetary systems, and all this silver, active in international trade as it has been for 6,000 years, has had its old influence in fixing prices. It is money, as it always has been."

"But," said Coin, "this silver of ours in the United States is not redemption money, and hence has no influence in establishing prices."

"But you have told us," said Farmer Hayseed, "that there was no silver of redemption in the United States in 1873. We have here as much silver of redemption as we had then or have had since 1850. The law of 1873 did not lessen the use of silver as redemption money in the nation. Instead, that law, with the acts of 1854, 1878, and 1890, added several hundred millions

of dollars to what we plain people are glad to get and still call money. We can pay debts with it the same as with gold, and because we use it as money we call it money and do not understand what you mean by demonetization. I have to-night, however, learned your meaning. You talk of demonetization of silver in the Pickwickian sense as you make your charges about the assassination of silver in 1873."

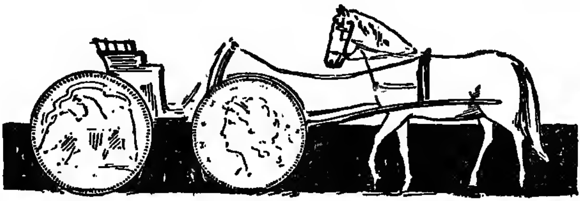
The young doctor here took up the subject by saying:

"Silver, like a man, cannot be dead and alive at the same time. It is either dead or it is alive. Silver is either money or it is not money. If it has been demonetized it is no longer in use as money. That is the meaning of demonetization, as you will learn by consulting any dictionary. But we all know that we use silver as money. Silver is not dead, but is alive and in use, as it has been for 6,000 years. Being in use as money, as it always has been, being used to the extent of $500,000,000 more than in 1873, silver is as active as ever in establishing prices the world over. If we wish to ascertain the causes of the low prices prevailing at present we must look for it in some other source than your Pickwickian death of silver. If you look to death for the cause of these modern evils you will have to bring into our midst some bona-fide corpse and not such a live, kicking being as this silver seems to be."

Coin saw he could not with the company present use the crime of 1873 as dust flung in the eyes to throw

them off the track. He determined to use what ordinarily never failed to carry people with him. He pulled out his school-book and, turning to the table on page 34, called attention to what he has designated as the unvarying ratio between gold and silver under the unlimited (?) demand for both metals since 1687. He said:

"Please note from this table that from 1687 to 1873 the commercial ratio of gold and silver was never lower than 1 to 14.14 and never higher than 1 to 16.25 or 115 per cent of the lower ratio. This variation is ac-



COIN'S CART BEFORE HIS HORSE.

counted for by the difference in ratios fixed by different governments and the cost of exchange."

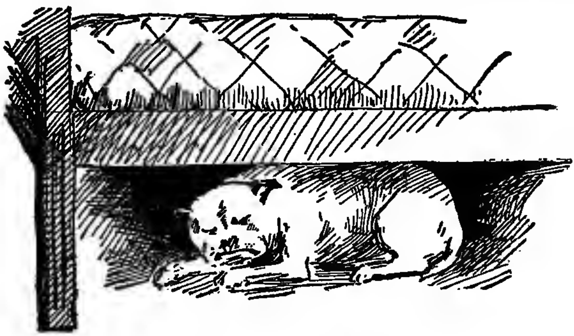
"Beg your pardon for interrupting you," said Farmer Hayseed, "but I think you have placed your cart before the horse. The ratios were established by the supply and demand and all that the governments did was to recognize the variation in those two factors regulating prices. The customs of the various governments of Europe with reference to silver and gold were the same for the years 1687 to 1816 as they had been from 1200 to 1687. In Arabia at one time silver

was worth more than gold. In the time of Plato, in Greece gold was twelve times as valuable as silver, in that of Menander it was only ten, and in that of Julius Caesar it was nine. In 1262, in England, it was 9.6. In the same country it was in 1292, 12.5 and in 1485, 13.75. In Spain, between 1474 and 1516, this ratio was 10 69-612; in 1537, it was 10 371-612; in the reign of Philip II., it was 12 143-1224, and July 17, 1779, it was fixed at 1 to 16. In the year 1641, Louis XIII. of France fixed the ratio at 13½. Later the commercial demand forced a change and in 1724 the ratio was fixed at 14½. Kings for centuries sought to establish the ratio between these two metals. The tide of prices ebbed and flowed and the royal edicts were as powerless to effect a change as King Canute's chair was to stay the rising waves on the shores of England. The changing rules of governments was the recognition of changes in value due to varying supply and demand. The whole business can be illustrated by a story. Once a man had a visitor at his house. He boasted of his dog and his control over the same. He said: 'See me make him mind. Come, Fido, come out from under that bed.' The dog did not mind. After repeating his demand a half dozen times and the dog remaining unmoved, he said, 'Now, stay there.' The dog staid. His master then said: 'See how well he minded that last time.' Governments, if they command what the dog of supply and demand has already willed, are obeyed. If they call for anything else they

are as little heeded as the first command of the man to his unruly dog."

Here was another poser for Coin. He saw the necessity for a further change of subjects. He said:

"The amount of gold and silver in the world twenty-five years ago barely sufficed to carry on its business. How can you expect one of these metals to do all the work at the present time when the business—domestic



THE FREE-SILVER DOG REFUSES TO RISE AT THE CALL, 16 TO 1.

and international—has increased so many fold? Can the attempt have but one result, and that to depress prices one-half the world over? The selling price of everything has declined."

"Is that so?" asked Mr. Hayseed. "Methinks I have heard that remark before. Some one made that same statement to a neighbor of mine in Iowa a few weeks ago. He went to Des Moines for the first time in many years. He started in and bought some tobacco and cigars and was charged the same price as in 1873. It

was the same with tea and coffee, although duty had been removed in the intervening years. He had the same story to tell after purchasing a drink of beer and a flask of pure whisky. The charge at the hotel, on the cars, street railway, at the barber shop and at the telegraph office was the same as twenty-five years before. He was taken sick and paid the doctor the old fee. He was mad at being imposed upon for a green countryman and charged double just because he was ignorant of the effect of the law of 1873. He became involved in a fight with the saloonkeeper over his charges and was arrested and found that he had to pay the lawyer and court expenses the same as in 1873. When he reached home with the meat and other family supplies purchased at the old prices he thrashed the man who had led him into all his troubles by telling him that the price of everything had fallen one-half in twenty-five years. He also threatens any one who repeats the worn-out yarn in his presence. Better not visit our town unless you keep still when the old farmer is around."

"But the farmer should think of wheat and cotton instead of those other articles," replied Coin. He has to raise more of these crops to purchase the same amount of other commodities.

"Why do you shift your ground so often, Mr. Coin? You yourself tell about high prices when you wish to show how the value of wheat has fallen. You give us the picture in your school-book here reproduced show-

COIN'S FARMER UNABLE TO FIND ANYTHING EXCEPTING WHEAT WITH LOWER PRICES THAN IN 1873.

[From Coin's School, page 43.]

ing those high prices. Prices are all up when you talk wheat, but low when you talk silver. Come, now, be honest for once, and tell us whether prices as a whole have risen or fallen?"

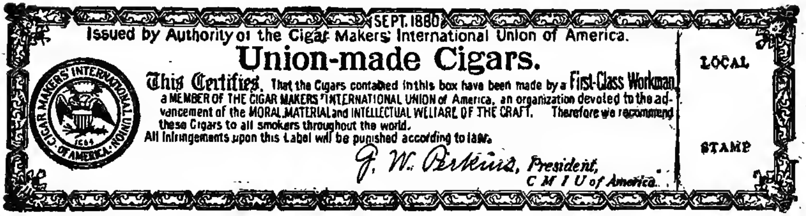
"Some things have advanced in selling price and others have decreased," answered Coin.

"That is true, Mr. Coin. Now I wish to call your attention to the division between the articles that have advanced in price and those that have depreciated. Everything that the Western farmer raises has on the average for five-year periods advanced in value in twenty-five years with the exception of wheat and hay. Everything that he desires to purchase has depreciated in selling price. It is the same for the toilers of the land, the men and women who work for wages Everything that they have to sell, their labor, brings a higher price than in 1870 and everything that they buy has decreased in selling value, some to a small extent while others to a greater."

"But men are idle more now than they used to be," said Coin. "See our army of the unemployed."

"We have," replied Hayseed, "a great army of the unemployed at present. This has been the case since the panic of 1893. It is a source of great concern to all thoughtful people. But this army is smaller relatively than in 1874, 1857, 1837, or in many other years. Governor Winthrop in 1629 tells us of the unemployed in England. He draws a picture of that day darker than you have painted of the present, and it

has the credit of being true to facts. We are making great progress in this century in dealing with the army of the unemployed. The past twenty-five years has seen a wonderful progress in this respect. In 1870 there were 32.43 per cent of our population in gainful occupations. That percentage had risen in 1890 to 36.31. Here is indicated a great decline in the army of the idle. But the land has not only lessened its army of unemployed; it has learned to assist the idle by better methods. This is especially true of organized labor. By their sick and out-of-work and traveling benefits, or



THE CIGARMAKER'S BANNER OF MUTUAL HELPFULNESS.

insurance, they care for all their members. The magnitude of this change for the better can be seen from the fact that the union of cigarmakers, with a membership of 30,000, cared for all its sick and idle members in the past two years and never had one of them become a public charge. Such a record from such a vast army of toilers was never witnessed before on this earth. The union carries its banner of mutual helpfulness everywhere. It does this by its label, here given. If other crafts show a less enviable record in

these hard times it is because they are less perfectly organized and are thus less able to overcome the evils that beset the pathway of the toiler. Organization and not free silver is the key to success for the wage earner."

At this point a young man in the company turned the subject by asking: "Does not the world need a larger supply of money in the form of the precious metals than exists to-day?"

"Let us see," said Farmer Hayseed. "How shall we measure the world's international use or need of coin as primary money? Can there be any better way of determining it than by the amount shipped between countries in the settlement of balances?"

"I think not," said Coin.

"Let us then take the use of gold and silver in settling international balances now and thirty years ago, before this modern depression of prices. We will take the use of gold and silver in the settlement of international trade between Great Britain, France, the United States, and British India. This commerce aggregates a great share of the trade of the world. In the five years 1860 to 1864 these countries shipped in gold and silver, in settlement of trade balance, $3,143,-656,271, and in the five years 1886 to 1890, $2,717,334,-783."

"But, Mr. Hayseed, your figures are a most eloquent illustration of my position," cried Coin, brightening up exceedingly. "See how the trade has decreased under

the blighting effects of money contraction. The use of money bears a fixed ratio and is an index of prices and trade."

"Not quite so fast, Mr. Coin," said the farmer. "In the first five years the commerce of the countries was $18,568,736,213, while in the latter it was $36,204,527,385. Methods of business were so improved that men were able to double the amount of their transactions with an actual decrease in the use of the precious metals. But that is not all. The product of gold and silver mines had greatly increased. That product was in the earlier years $792,350,000 and in the latter, $1,284,291,000. In international commerce the actual use of gold and silver has been decreasing while commerce has increased and the amount of gold and silver has increased. Here is an immense relative inflation of currency which, according to your theories, calls for an unprecedented advance of prices. How do you explain the discrepancy, Mr. Coin?"

"Easy enough. Over one-half the money of the world has ceased to be primary money owing to the crime of 1873 by which silver was assassinated."

"But, Mr. Coin, are gold and silver in the payment of international balances money in the sense in which we speak of our national currency or are they commodities?"

"I have explained in my book, but more at length in my lectures in the city of Minneapolis, Minnesota,

that in international exchange gold and silver both are simply commodities."

"Has the use of silver in the great world of commerce been lessened by the legislation of 1873?"

"I cannot say."

"I will tell you then. In this vast volume of international trade to which I have called your attention, in the earlier five years silver was used to pay forty per cent of the balances while in the latter five years it was used in forty-five per cent of those balances. In this trade which calls for the great use of gold and silver as agents of exchange, the use of silver is relatively increasing. Silver, then, as primary money of exchange has been helped rather than injured by the legislation of 1873. In the world of commerce silver is money to a greater and not a lesser extent than twenty-five years ago, as you have been asserting so long and so loudly."

"But I do not care for this international trade. It is in reality small as compared with our domestic. Our domestic trade is twenty-four times greater than our foreign. We should look after the greater and let the lesser go. We need stimulation of such home trade by an increase in the relative amount of primary money of redemption."

"But we have seen how that primary money in local affairs has been increased sixteenfold since 1873, since we have that much greater volume of such money than in 1873. Your silver legislation would drive all

our gold out of circulation and so absolutely lessen our stock of redemption money and thus carry us, according to your own theory, to still lower prices and greater want and suffering. Why should we invite such results with our eyes open? You say we have too little money of redemption now. Why should we lessen our stock of all forms and kinds of money, money of circulation and money of redemption?"

"You are depending upon theory, Mr. Hayseed. We should rely upon facts. The theorist always casts the shadow of an ass that he is. We must stick to facts."

"What are the facts that we are to stick to?" asked the old farmer.

"The fact that the silver legislation of 1873 was a dastardly crime, that it depressed prices the world over and wrought ruin. We must correct the wrong and restore silver to its former throne as queen of the metals. The revolution of 1873 was brought about in secret and we must correct the wrong openly. Once more on its former throne, its legal parity with gold, it can maintain its commercial equality with that metal on its old ratio of 16 to 1."

"Methinks, Mr. Coin. you are the theorist whose shadow you say resembles an ass. Here, however, I also see traces of the cloven foot as well, for none are so blind as those who will not see. You claim that silver has been demonetized; that its use as primary money or money of redemption in the world has decreased. I have shown you how in the payment of in-

ternational balances its use has increased five per cent since 1860. You shift the field to the United States and say that low prices are caused by a decrease of our

A SPIRIT PICTURE OF A FREE-SILVER MAN.

national money of redemption. I show you that the per capita amount of such money in 1893 was ten

times what it was in 1873. You shift again to the world and say that the stock of gold is not enough to transact a world's increasing business. I show you how the use of both gold and silver is decreasing in settling exchanges, while the stock of those metals is increasing."

"But debts are increasing," said Coin. "They have increased $8,000,000,000 since 1890 and make up a total of $40,000,000,000 at the present time, as I have shown elsewhere in detail."

"Here again," said the old farmer, "you allow your theories to blind you to facts. Debts of all kinds are decreasing. The sum total of obligations in the United States cannot greatly exceed, even if it equals, one-half of your grand total."

"I challenge you, Mr. Hayseed, to name a single item of indebtedness that is decreasing."

"Your challenge would be simpler if it required me to name one that has not decreased," said the old farmer. "According to the last United States Census in the ten years 1880 to 1890 the per capita debt of the United States Government decreased from $38.33 to $14.29; state debts decreased from $5.93 to $3.66; county debts from $2.47 to $2.32; municipal debts from $13.64 to $11.57, and the only form of public debts increasing was school debts, which rose from thirty-five to fifty-nine cents per capita. The whole public indebtedness decreased in ten years from $60.73 to $32.37 per capita, while property increased from $870 to

$1,039. This increase per capita of ten years will pay off the remaining public debt five times. This increase in wealth and decrease in public debts can be illustrated very well by a diagram, as follows: The middle of three circles represents the per capita public debts in the United States in 1880. The smallest circle shows the relative dimensions of those debts in 1890. The difference in the two circles exhibits the decrease in those debts in the intervening ten years. The largest circle shows the relative increase in the per capita wealth of the nation accompanying this decrease of public debts to one-half its earlier proportions. The gas is getting out of your balloon representing debts, Mr. Coin, and someway or other the balloon representing the wealth of this nation is rapidly enlarging. This contradicts your statements, which I should judge had been made without any regard for the existing facts about wealth and debts in our midst." (For circles, see front page of cover.)

To this Mr. Coin replied:

"But farm and other private mortgage debts have increased."

"It is true that they increased from 1880 to 1887, but since that time they have steadily decreased, and so instead of having increased since 1890, 8,000 million, as you claimed, the debts of the country must have decreased at least 2,000 million dollars. Here is a single error in your figures for debts of at least 10,000 million dollars. You allow your fancies to picture this vast

sum of debts that does not exist. What is the use of such exaggeration and misstatements? Give us the facts and let your theories go to the winds. I could show you the same error in other ways where you count the assets of savings banks as debts and then

RESTORING CIRCULATION TO SILVER IN 1854.

turn round and count them a second time when loaned out to farmers or invested in railroad and other bonds, corporate and municipal."

"But it stands to reason," cried Coin, "that when you assassinate silver as money of redemption you in-

crease debts, decrease the value of property, and bring untold suffering. It stands to reason that the misery which we see in the world was all caused by this dastardly crime of silver assassination in 1873, and I ask, as I have said in my lectures and taught in my schools, that the world shall accept nothing from me that does not bear the analysis of reason. But I will insist upon that test of sound reason. I will not accept anything that seems unreasonable, and your statements about debts and values of property are all unreasonable."

"But these are facts, and we must square our reason to the same," said the old farmer. "You picture silver assassinated in 1873. The facts are that in 1853 silver, by what you call a crime, was restored to life after a period of suspended animation that began in 1834. The act of 1853 restored silver to circulation and the acts of 1873, 1878, and 1890 placed it fully on its feet after its partial asphyxiation in 1834. You should read history to better result and not confound the effects of the law of 1834 with those of 1873."

"But I am a friend of the common people and you are but a tool of the bankers and money-sharks of Wall Street and Lombard Street. You would sell your country to the octopus of gold which has its head in London, and, with its tentacles in all lands, is sucking their life-blood. I am a believer in silver, the poor man's money, and you are an advocate of gold, the rich man's money."

"I am in favor," said Mr. Hayseed, "of money for the poor man and would drive the money-changers from the temple of our homes. In the days of Christ there was no uniformity of money. Men came up to Jerusalem from all lands to pray and offer sacrifices.

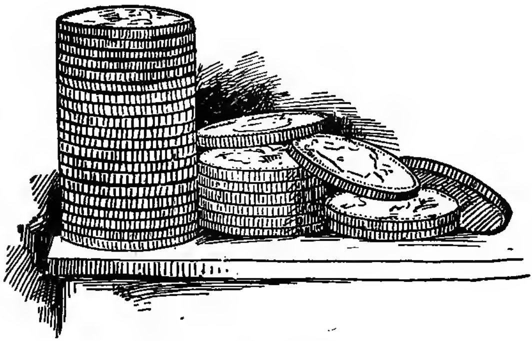
PLACING SILVER ON ITS FEET.

They brought all sorts of coin with them. Some was good and some was bad, and most of it not current at the hands of the priests. Money-changers secured a seat in the outer courts of the temple. They grew rich by changing the money of all lands into the money

of Jerusalem. They grew rich in the same manner as the bankers in the days of the Civil War,—out of men's necessities. Christ drove them out with whips. We have driven such money-changers out of the temple of our national life. We have made gold, silver, and paper money all good. The poorest man can take his day's pay in any money of the realm and always find it good. He knows its value. No money-changers live off of his money by changing it for other and better money. All our money is the poor man's money, because it is all good. We have no banker's money. You ask us to change our present volume of poor men's money into banker's money. You ask us to give the bankers a chance to make something out of the fluctuation of our currency and thus restore to our temple the money-changers whom the Christ of former progress has driven out. In this you are trying to sup with the devil of uncertainty, and you and all men must needs have a long spoon."

"But," replied Coin, "gold men assassinated silver. They betrayed the people's money for English gold in 1873. This is the great crime of history. In all ages the word gold has stood for avarice, wrong, and greed. The poets tell us how 'judges and senates have been bought for gold.' Gold is the symbol of the oppressor's power and silver the shield, because the money of the common people. You never find the poets charging in their verse the crimes of the world to the credit of silver."

"You join your theories to sentiment and poetry, it seems," said the farmer, "but are unwilling to hitch your winged horses of fancy to the simple wagon of fact. Hence you are unwilling to consider the facts that silver was assassinated in 1834 and not in 1873 and that the act of 1873 gave new life to the body revived in 1853. You are unwilling to consider the



THIRTY PIECES OF SILVER.

actual facts about debts and the use of money now and ten and twenty years ago. You are willing to look on one picture of fancy but not on the portrait of fact and sound sense. If you must deal in poetry and fancy about the poor and honest man's money; if you must rail about gold as the money of crime and silver as the coin of innocence, permit me to remind you that the Christian world until the present generation has associated silver with what they called the greatest crime,—the betrayal of the Son of Man for thirty

pieces of that metal: A Judas was found for that sum of white metal to sell his Saviour. Now you are seeking for other pieces of silver to sell the nation into financial anarchy in the interests of the owners of a few mines in our Western mountains.

CHAPTER VII.

THE CLOSE OF SCHOOL—AN INCIDENT OF UNPUBLISHED HISTORY.

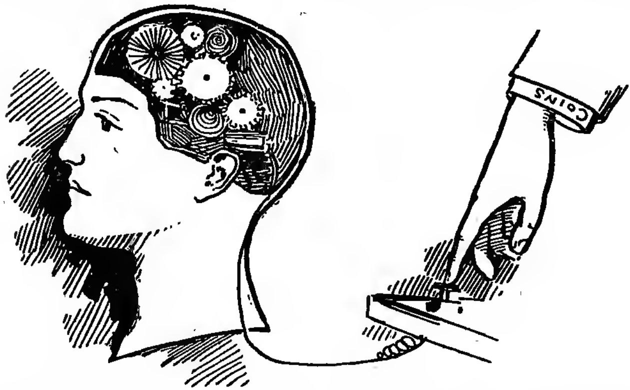
"Give a silver lunatic a horse and he will ride to the devil. There would be no harm in that, provided the devil would send the horse back, but he won't."

—*Farmer Hayseed's Version of an Old Proverb.*

After the home thrust of the old farmer about the thirty pieces of silver, narrated in the last chapter, Coin announced rather abruptly the necessity of his leaving to attend to some pressing business, and took his departure with but little ceremony. When the door had closed upon his form, one of the young men present mentioned a discovery which he had made the night before. It was a fact that explained some statements in the newspapers over which people in Chicago and the Northwest were disputing. Coin and his friends insisted that Lyman Gage and a long list of other bankers and newspaper men had been present at his school and had been allowed to speak, but were unable to meet the convincing facts of Coin in favor of the free and unlimited coinage of silver. Those gentle-

men had asserted in the public press that they had never been present in Coin's school. People were beginning to take sides in the controversy that arose over the subject, large numbers being ready to testify that they had seen the gentlemen at the school and had heard them speak.

The discovery of the young man, which he disclosed when Coin had left, was that Coin had a number of automata with changeable faces which were in reality



COIN TOUCHED THE BUTTON; THE PHONOGRAPHS DID THE REST.

talking machines. They contained finely arranged phonographs, which were operated by electricity. They were set to express a few fixed questions and were moved as Coin touched the button; the electricity and the phonographs did the rest. The young man had a key to the schoolroom and suggested playing a trick upon Coin to match and expose the one which he had been working upon the public. All present as lovers

of fair play and fun entered into the scheme. A number of them, including Farmer Hayseed, accompanied the young man to Coin's schoolroom. They found the automata all arranged for the next day. By touching the buttons on the platform they soon learned what Coin had set each figure to say. They then changed the cylinders in the talking machines, substituting for those arranged by Coin others with words such as the old farmer had expressed. They also arranged electric wires, so that a member of the party could operate the figures as well as Coin. The next day all were on hand. The hall was crowded. Farmer Hayseed was present to enjoy the fun along with the boys.

Coin began his lecture by saying:

"In the midst of plenty we are in want. Helpless children and the best womanhood and manhood appeal to us for a release from a bondage that is destructive of life and liberty. We are now the ally of England in the most cruel and unjust persecution against the weak and defenseless people of the world that was ever waged by tyrants since the dawn of history. If it is claimed that we must adopt for our money the metal England selects, and can have no independent choice in the matter, let us make the test and find out if it is true. It is not American to give up without trying. If it is true, let us attach England to the United States and blot out her name from among the nations of the earth. A war with England would be the most popular ever waged on the face of the earth." (Applause.)

"Your financial plans, then, involve, among other things, a war with England," said Hayseed. "I am glad that you state your schemes so logically. You have told us how we owe England 5,000 million dollars. You have told us how you proposed to compel all the English creditors to take fifty cents on a dollar. It is well to prepare for and talk about war with England if you attempt such a vast repudiation of debts. England has before now waged many wars to protect the financial interests of her citizens when not one-thousandth part of this vast sum was involved. She would be forced to war to guard her people's rights in this instance. But do the people of the United States owe the people of any nation other than that of Great Britain?"

"Yes," said Coin, "we owe Germans and Hollanders about as much as we do Englishmen."

"Then if your statements about debts are correct, we owe foreigners 10,000 millions of dollars, a sum so vast that the national debts of the people to whom most of this money is due seem small when compared therewith. You must prepare to conduct war with all these people if you expect to carry out your program of repudiating one-half of this foreign indebtedness. Is war such a blessing that you commend the scheme of conflict with Great Britain, and by implication, Germany and Holland, to put in practice your wild schemes of finance? Here, indeed, we see the truth of an old proverb slightly modified: 'Give a silver lunatic a horse and he will ride to the devil. There

would be no harm in that, provided the devil would send the horse back, but he won't.' If your lunatic

COIN RIDING TO THE DEVIL.

associates should by chance mount the nation as a horse and you should ride it to the devil, as you have

just outlined, his Satanic Majesty would never correct the evil wrought, and those evils would be such and so great that those from which the people seek to fly through your aid would seem like the itch as compared with the smallpox."

"But," said Coin, "may be the statement about foreign debts is exaggerated."

"Of course it is," replied Hayseed. "The best authorities who have carefully studied the subject say the total interest which foreigners of all lands have in the United States amounts to from three to five billions of dollars, or less than what you have said we owe Englishmen. You have exaggerated our foreign debts threefold to show the gain by repudiation. You have also doubled our home debt. But 3,000 millions of foreign debt is enough to cause Germany, Holland, and Great Britain to wage the bitterest war the world ever witnessed. I commend your frankness in pointing out the nature of the conflict which the application of your theory involves."

Here was an interruption which the smooth little financier did not relish. He concluded to ignore the old farmer and resort to other devices to silence him in the future. He took up the thread of his remarks with but slight change. He said:

"The money-lenders in the United States, who own substantially all of our money, have a selfish interest in maintaining the gold standard. They believe that if the gold standard can survive for a few years longer,

the people will get used to it, get used to their poverty, and quietly submit. The United States should take counsel from others than these money-lenders and establish the absolute free coinage of silver."

Here the old farmer arose to ask a further question, but Coin did not wish to be bothered with his questions. He could not ignore Hayseed without resorting to a trick, so he touched a button and his talking machine, representing Lyman Gage, president of the First National Bank, arose. The figure asked:

"To whom is the vast amount of these debts in the United States of which you have spoken due?"

Coin could not recall having spoken any such question to his phonograph. He could not understand it, but he had no time to solve the mystery. He merely answered:

"To the rich, the bankers, of course; who else has money?"

If Coin had been surprised by the question of the talking machine dressed in the form of Banker Gage, he was almost paralyzed when that machine continued, instead of sitting down as he expected. It said:

"I shall have to beg leave to differ from you. The debts of which you talk so glibly largely represent the savings of the great body of people. The mortgage debt of the land and most of the state, municipal, and corporate indebtedness of the land represent money owed to savings banks, trust companies, building and loan societies, insurance companies, and kindred institutions for gathering and investing the savings of the

industrious and prudent toilers of the land. Why, in the State of New York the investments of the savings banks represent deposits for every third man, woman, and child in that state. The insurance companies represent other and vaster institutions for conserving and protecting the financial well-being of the masses. The national banks have millions of loans outstanding. Those loans represent deposits not wholly nor even mainly of the rich, but of the great army of industrious and saving people in the land. The bankers in our great cities do not have money to transact their business. They have not only to call for the savings of the toilers in the cities, but those in the country. The farmers, who you say are crushed by debt, are in the older settled states and sections the greatest depositors in the banks near their homes. Why, a few years ago, when the bankers and grain men of Minneapolis, Minnesota, were unable to secure money from New York, Boston, and Chicago, to move the great wheat crop of the Red River Valley, owing to the straitened condition of Eastern banks, those Minneapolis dealers and bankers obtained the needed resources from the banks in southern Minnesota. The money to move the wheat crop of northern Minnesota and the Dakotas represented then the savings of the old farmers of southern Minnesota. It is thus in all parts of the country. The great creditors are the farmers and the busy, saving toilers of the cities. You silver folks ask to mount the national horse and ride to the devil of disaster, as this other gentleman has said, with all

these savings, and at one fell stroke, by cheap money, rob the millions to enrich a few."

The figure of Gage now sat down. Coin was fairly stupefied. He had to say something. He saw from the looks of the crowd that it was no time for dodging. Hence he said:

"I shall have to differ with you, Mr. Gage. Our plans would do no such thing. They would aid the poor at the expense of the rich. They would make money plentiful. That would secure good prices and plenty of employment. We should have a return to the high prices of the war period in 1860 to 1865, and all remember how prosperous the people then were."

At this point the boy who had control of the talking machines touched the button, and, to the horror of Coin, the figure of Professor Laughlin arose. This figure began by saying:

"The prosperity caused by cheap money is one that sooner or later robs the many for the benefit of the few. The cheap money of the war period did this and the results of cheap silver would accomplish the same curse to our land. The cheap money of the war found the farmer and mechanics of the land possessed by an amount of wealth that equaled on an average the per capita wealth of the nation. That cheap money robbed them of one-third of their share and gave it to the rich. It laid the foundation of all the great fortunes that are such a curse to our land to-day. Your scheme of cheap money would repeat, on a larger and more destructive scale, the pauperization of the many

for the benefit of a few, as the debasement of money always has and always will do. By an improving money system, the conditions have in the past ten years begun to be reversed and the savings of the masses have been gaining faster relatively than those of the rich, and you silver lunatics want to mount the national horse and ride it to the devil and rob the toilers of half their savings for the benefit of the rich, while the debasement of war money only robbed them of one-third."

Coin now thought he saw his way out of his dilemma, for he was in a terrible fix. He had never before in his school been obliged to face questions by men knowing anything of finance. As this machine of his talked on and on about new themes never conceived by him, it occurred to him that he could turn the point before the public and gain a laugh upon Professor Laughlin as he had done before. He said to himself, This machine cannot answer new questions of mine. I will ask it one. He said:

"How could the rich gain by the demonetization of silver at the expense of the poor?"

The figure answered readily, for the old farmer had anticipated this question of Coin:

"I will give an illustration, out of many, showing how a debasement of money would accrue to the benefit of the rich few and to the detriment of the many saving and industrious toilers. I will take the case of

our railroads. These roads represent a property including street railways of 16,000 million dollars. These roads, you say, owe a bonded debt of 10,000 million dollars. The rich few at present control the stock of these roads, worth, according to your figures, 6,000 million dollars. The bonded debt is mainly held by the savings institutions, and the masses of the people outside of the rich few. If you double the prices of everything save debts by the enactment of your proposed silver legislation you increase the interest of the rich few on these roads from 6,000 to 22,000 million dollars, and the property of the bondholders in savings institutions of the people would actually be worth, in purchasing power, only one-half its former value. You have increased the interests of the rich few in the railroads to nearly four times its earlier proportions, and that at the expense of the many. This was what was done in war time. It will be repeated on a large scale again if your schemes are put in operation. Such a wholesale robbery of the middle and industrious classes was never dreamed of in the annals of human history. Silver has been the friend of man, but under such circumstances it would become a gigantic ogre feeding upon the defenseless and ignorant. Even you, Mr. Coin, would soon tire of passing up these helpless ones, to be devoured with all their substance by such a Moloch of infamy."

When the figure of Professor Laughlin was seated a workingman arose. He said:

"Will you kindly permit one who has been in the great army of the unemployed half the time since the panic of 1893 to say a few words?"

Here was a great relief to Mr. Coin. He knew the workingman. He had seen him at every one of his lectures and had noticed him listening attentively and taking notes. He said:

"Certainly, come right up front here where the others can see and hear you."

The workingman declined the invitation and speaking from his chair, said:

"I have, since being out of work, been greatly concerned by this subject of want of employment. I have spent my idle time in talking with others and reading upon the subject. I had heard many advocates of the free coinage of silver at 16 to 1 explain the matter, and was predisposed to accept their theories. I came here to this school. Mr. Coin for a time made everything so plain that I could not resist his conclusions. I knew there was a cause for all this trouble and once remove that cause all would be right."

Coin here interrupted by saying:

"I showed you that the demonetization of silver was the cause of all this trouble, and hence its remonetization at the ratio of 16 to 1 would be the remedy."

"That is so. You made everything so plain that I could not resist your conclusions. Some remarks made here to-day have, however, set me thinking. I want to know who are the real debtors of our nation

and who the creditors; who would, according to Mr. Coin's theories and statements, gain or lose most by the remonetization of silver? I desire to ask a few questions. Will you kindly tell us, Mr. Coin, how the remonetization of silver at 16 to 1 would affect the debtors?"

"The debtors of the nation would be greatly benefited. In fact the change would be in their interest. It would sooner or later result in reducing the debts to one-half their present proportions."

"What would thus be their gain must be at the expense of some other class of people, the creditors. Is it not so, Mr. Coin?"

"Yes, sir. The gain of the nation's debtors must come out of the creditors."

The workingman continued:

"Professor Laughlin, here, says that the debts of the nation are mainly owed by the richer to those comparatively poorer than themselves. I want to test the matter, sir. I am not familiar with the world. I know but little of banks; nothing of the business of merchants. I am a simple mechanic, as the majority of these before me are. I have $750 in the savings bank, the balance left after being out of work for a year. I want to know how many here present have now or at any time in the past had deposits in the savings bank or other banks. So many as have will please raise the right hand."

The hands of almost every person in the room came up. All that were prudent and saving had at some time or other patronized these institutions.

The workingman continued his questions by saying:

"All those in the room who now owe the banks of this city anything on a business note indorsed or not indorsed by the signature of any other person beside themselves, will please hold up their hands."

Not over fifty or sixty persons held up their hands out of the 1,500 who were present.

The young man then said:

"Let any day laborer in this audience who has ever borrowed money from the banks raise his hand."

Not a hand was raised, although over 300 workmen had said they had deposits in the banks.

"Are there any mechanics, clerks or railroad trainmen who owe the banks on an individual note?"

No hands came up.

"Are there any merchants who owe the banks money?"

Many hands were held up.

"Are there any other business men who owe the banks?"

Many more hands were raised.

"Are there any poor men who owe the banks?"

No hands were raised.

"Are there any rich men or men well to do financially who owe the banks?"

Fully fifty hands were raised, among them quite a number of bankers who had been attracted to the school by the public excitement created by Coin's

brilliancy. The crowd was becoming excited in a way that it had never been since the school was opened.

The young mechanic was beginning to change his mind. Turning to Coin, he fiercely asked:

"Tell me, and tell these other workingmen, how

THE RICH MAN BORROWING FROM THE TOILING BANK DEPOSITOR.

we are to be benefited by losing one-half our savings in the banks to ease up the burdens of the rich fellows who have borrowed our money from the banks?"

"The people here are not a fair illustration of the body of our nation," said Coin.

"Possibly you are right," said the workingman. "I shall go home and ask my neighbors these ques-

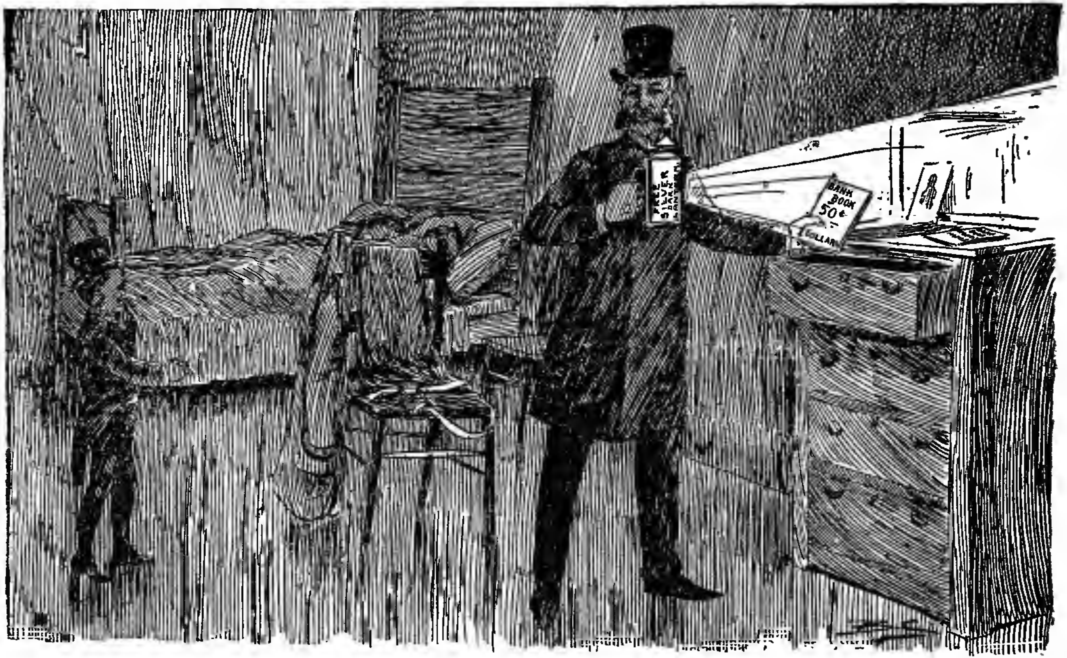
tions: Do you have money in the bank? Do you borrow money from those institutions on notes of hand? I request all those before me to ask their neighbors these questions. In this way we can tell in this city whether Coin's theories put in practice would rob the rich to help the poor or rob the poor to help the rich. The banks are a fair illustration of all monied institutions, and as free silver will affect their depositors and borrowers so it will affect all men."

Here Coin interrupted by saying:

"Not all our debts represent the savings of the toilers as do those of savings banks, banks, trust companies, insurance companies, and the like. Our people owe foreign capitalists large sums of money. We should not be poltroons and make our laws what people across the water demand. I want to see a little national spirit. Our people would all be benefited by paying back to Europe only one-half of what we owe, as would be done under free silver coinage."

Here an old soldier who had served three years under Grant arose. He said:

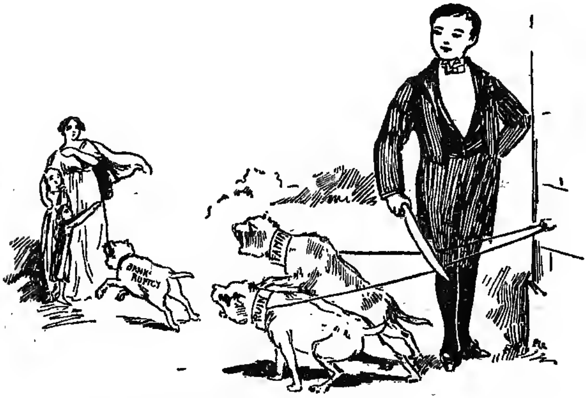
"May be, young fellow, you don't understand what war means as well as some of us who were down in Dixie thirty years ago. You advise us to engage in war with England and other European nations to save paying our honest debts. You would arrange our banks so that the rich borrower would rob the poor depositors of one-half. We come together to learn how to relieve industry and aid the unemployed in



COIN ASSISTING THE RICH MAN TO ROB THE SLEEPING WORKINGMAN BY AID OF FREE COINAGE OF SILVER.

finding work. You would let loose upon industry the bloodthirsty dogs of war, repudiation, and ruin. The only employment you offer to the idle is the work in war of shooting down the toilers of other lands, or at home in assisting to rob other workmen to aid the rich. I want none of it in mine."

When the gray-haired veteran sat down a distinct movement of approval was manifest throughout the



COIN LETTING LOOSE THE DOGS OF WAR,
REPUDIATION AND RUIN.

room. Everything seemed to Coin to be changing. Up to that day he had appeared to carry everybody with him. His sham speeches by his talking figures and all had assisted him in creating a profound impression in his favor. Now he seemed to himself like a man being swallowed up in the quicksands. He must make a bold break or he was lost. He must stop this inter-

ruption. He must begin to speak of a subject on which he could not be safely contradicted. He said:

"The country is ruined by unjust laws and we want free coinage of silver to correct them and overthrow them. Why, in this, one of the wealthiest cities of the world, whose banks, according to the reports of their officers, have millions of deposits, those deposits are only assessed $43,925. The securities of these banks, the notes, bonds, mortgages, and other collaterals are assessed at only $10,000. This is the way the rich bankers escape taxation. The farmers of the same county are assessed at $84,392 for their farm tools, implements, and machinery, or more than all the property of the rich banks of the great city of Chicago. The rich men of that city are assessed only $17,150 for their diamonds, although there are millions of money invested in these baubles of luxury. These rich men are forcing the poor men to pay their taxes further by bribing officials to be derelict in their duty as assessors."

Here a voice from the audience asked:

"Is this crime of the public assessor any reason why we should rob those toilers of one-half their present possessions and make the rich a present of the same, as we would do by adopting free coinage? Should we not seek by the enactment of just laws and the election of honest officials to correct these evils instead of creating greater ones?"

Here was a stunner for Coin. He had in his school and in his reception at the hotel, of which he tells

us in his book, ostentatiously paraded his diamonds and strutted about in faultless apparel. He was a financier. He had called into his meetings a number of bankers and business men to sustain his position. He did not have time to answer before a man, plainly showing that he was a mason by trade, arose and asked:

"How much is that diamond worth that you wear in your shirt front, Mr. Coin? I have been told by some of your admirers that it cost $10,000. I have been told that you boast of being 'a smooth little financier' and that this diamond is only one of many kindred baubles of luxury that you have. Now please answer us one question. How much taxes do you pay on your diamonds, and how much on your possessions as a financier?"

This was a further turn in school matters that Coin did not like. He was pleased to abuse the rich, at least all the other rich besides himself. He wanted to talk of other people's greed. It always took with the crowd. It was cheaper than argument. It avoided the necessity of facts upon the subject under discussion. But to be catechised himself was horrible. It was insulting. He must show his personal displeasure. He threw back his head in proud disdain and said:

"I am here to discuss principles and deal in broad general propositions. I decline to make my own private matters the basis of a public discussion. We are

here to-day to discuss how we are to cross the present abyss of business stagnation, from widespread suffering, want of employment, to a general prosperity and resumption of business, and I shall insist hereafter upon my right in this school to continue the discussion along my own line and not that suggested by those

"HOW MUCH TAXES, MR. COIN, DO YOU PAY ON YOUR DIAMONDS?"

interrupting me. As I have said, we are here to discuss the question of the best methods of crossing the present gulf of depressed prices and want of employment and reaching the shores of renewed prosperity. Our troubles were caused, as I have shown, by the demonetization of silver. We can pass to renewed pros-

perity by the free coinage of silver at the ratio of 16 to 1."

Here a young man arose and asked the question:

"Is not that a pretty poor bridge to risk everything

COIN'S BROKEN BRIDGE TO PROSPERITY.

to, Mr. Coin? It will hardly carry the toiler and the business man alike to better times. Your bridge, to begin with, is a narrow plank, and it is broken withal. Once sound, it was broken when overproduction caused

the ratio between gold and silver to fall greatly. The increased use of silver under some reasonable regulation may assist in carrying us across to renewed prosperity. The establishment of some international agreement concerning the coinage of silver as money may be of great service in this condition of affairs, but to try and cross the broken, narrow plank of free coinage at 16 to 1 is too risky for me."

To this Mr. Coin replied:

"The United States alone can at once by law establish the parity of the two metals at the old ratio of 16 to 1. Any nation that is big enough to take all the silver of the world and give back merchandise and products in payment for it will at once establish the parity between it and gold at 16 to 1."

Here a thoughtful man in the audience asked:

"Was the United States able by its law of 1792 to maintain the parity of gold and silver at 15 to 1? Was it able from 1834 to 1873 to maintain that parity at the ratio of 16 to 1?"

To this Mr. Coin merely answered, "No."

"Then if the law of the United States was powerless for eighty years to fix the ratio of exchange for these two metals, how do you expect it can succeed any better now?"

Coin hesitated for an answer, and the young man who had control of the talking machines touched the button and the figure of Mr. Medill, the editor of the "Chicago Tribune," arose. It asked:

"Suppose that, after all, the independent action of the United States should show itself powerless to maintain the parity of the two metals at the ratio of 16 to 1, as the nation was unable to fix the true ratio of the metals between 1792 and 1873?"

"Why, I would then put less gold into the dollar," replied Coin. "I would bring the weight of gold down until the two were on a parity."

"In other words," said the figure, "you are ready to repudiate not only one-half of the debts of the land, but all you have told us about the ability of the Government to maintain the ratio of 16 to 1. You admit that law is powerless to fix the ratio of gold and silver and would begin the work of clipping the gold coins to bring the dollar down to the level of fifty cents worth of silver. You seem to me thus to abandon all pretense of advocating bimetallism and stand simply for an effort to repudiate one-half of our debts by the greatest scheme of coin clipping ever undertaken on this earth. Now let me ask: Do you believe in bimetallism, and if so, what sort of bimetallism? Do you advocate an equal use of gold and silver as money?"

"No. In the science of money there should be no such thing as having a unit of value made from two kinds of property. As well have a unit of account with two different figures to represent it." (Extract from Mr. Harvey's comments on Judge Vincent's decision.) "There should be one unit of value, and that

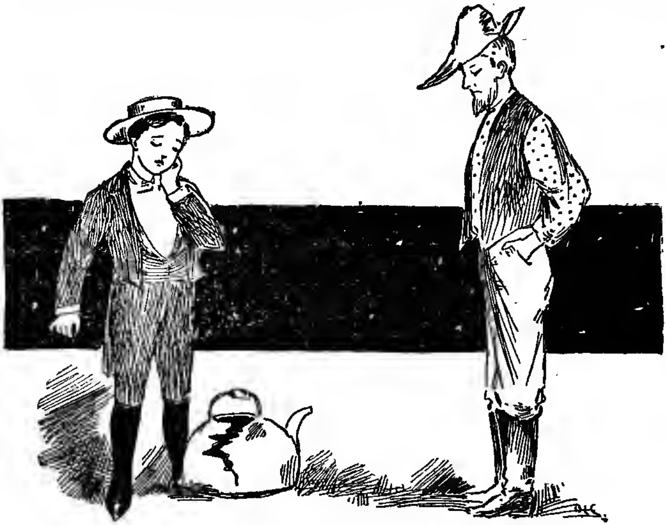
should be of silver, as in the law of 1792, Judge Vincent to the contrary notwithstanding."

"Your changing position upon the money question reminds me," said the figure, "of an old story. A man was sued by his neighbor for breaking a kettle which he had borrowed. In court he set up the plea as fol-

COIN CLIPPING THE GOLD COIN.

lows: 'Your kettle was sound when I returned it. It was broken when I borrowed it, and I never had your kettle.' You begin your plea for free coinage by saying the kettle of bimetallism was always sound. Governments have since 1687 by law maintained the ratio

of 16 to 1. Then you set up your second proposition. John Sherman by the act of 1873 broke that kettle. You wind up by saying that there never was a bimetallic kettle and none can be made. The only money kettle that is sound is one made of pure silver. Like the man sued for the broken kettle, you seem ready to affirm or deny anything, no matter how contradictory.



COIN'S BROKEN BIMETALLIC KETTLE.

Not only do you use this broken kettle argument with the subject of bimetallism, but with hundreds of other subjects. You tell us that we should have silver monometallism, like South and Central America, to be prosperous as a people. You tell us how gold debts increase and property decreases and wind up by telling us how we are becoming like our neighbors of

South America, with strikes, revolutions, etc. The kettle argument is a wonderful thing in your hands and you use it thoroughly. But now, honest Injun, Mr. Coin, tell us how our present practical bimetallism, which has existed since 1854, keeping millions of gold and silver in equal use as money at the same time, tell us how this poor man's money, this bimetallism, is a curse to the world and how the silver monometallism which you advocate can ever prove a blessing to the United States while it is a curse to Mexico and similar nations?"

Coin was too much disturbed to answer at once. He saw that he had made many unlucky admissions that were taken advantage of by some of his auditors. He determined to wait until he could fully know the effect of what he said. But while Coin was waiting the young man in charge of the talking machines touched a button and a figure representing Eli Perkins arose and said:

"When I went around the world last year I saw Chinamen, Japanese, Mexicans, and Africans taking our American silver dollars at par. They called them worth 100 cents in gold. They paid tea freights from China with them. They took them everywhere as gold. But Mexican and other silver money was worth at the same time only forty-seven cents on a dollar. Do you think any one on earth has lost a cent handling American silver dollars?"

"N-n-no," stammered Coin.

"Now, Coin, look me in the eye," continued Perkins, "and answer this question: If the United States had the free coinage you want, what would be the result?"

Coin was silent again.

"Wouldn't the Mexicans, Chinese and the rest of

Humpty Dumpty sat on a wall;
Humpty Dumpty got a great fall,
And all the noise and all the congressmen
Can't put Humpty Dumpty 16 to 1 again.

the world bring their forty-seven cents in silver to our mint to get one dollar as good as gold and wouldn't we be bankrupt in a year? Would it not be utterly impossible by act of congress to restore silver to its old ratio?"

"I wasn't thinking of that," said Coin, trembling at the thought of such a disaster. "I was thinking of the benefit to the mine owners such a law would produce. I wanted to learn if my theory about the effect upon them was correct. Their wealth would be doubled, would it not?"

"Yes, but at the expense of others. It would be another among the many cases of robbing the poor to put into the pockets of the rich."

"Things are bad now; they can't be any worse," said Coin. "Let us try the experiment."

"You and the whole set of silver cranks," continued Perkins, "remind me in your speculations of the grandfather of the most noted governor among the state officials advocating free coinage. He lived down in New York, and was a farmer. He wanted to settle in his own mind the effect of greasing boots upon the life of the boot. He bought a new pair of boots. He greased one regularly. The other he religiously protected from grease. The one boot was comfortable to his foot, the other was stiff and soon made him lame. It covered his foot with bunions and corns. That foot was constantly wet because the boot was ungreased. He took cold and had rheumatism in his leg. He kept on in his experiment. He must learn which boot lasted the longer. He learned, but his leg was lame for life. So you fellows are willing for the nation to be ruined to test your silver hobby. You want Uncle Sam to wear a silver boot to test your theory. You would have

him financially lamed to learn just how much the nation can stand of fooling with the money question."

Here the figure of a gray-bearded man representing the wisdom of the land arose and said:

"You, Mr. Coin, have told us how we would ride if you were allowed to mount our national steed. You

UNCLE SAM LAMED FINANCIALLY
BY HIS SILVER BOOT.

would plunge us into war with the most powerful nations of Europe, including Great Britain. You advocate such a war and say 'it would be the most popular ever waged on the face of the earth.' You would repeat in many ways the evil effects that have ever come with the

debasement of the people's money. You would ride the steed of prosperity to the devil of bankruptcy and the

AS IT WOULD BE IF RIDDEN TO THE DEVIL BY COIN.

horse would be lost in the hell of ruin, war, and the pauperization of the many. The people thank you for

making the issue so clear, but knowing well that the devil of ruin never sends back the horse which bears the lunatic to his door, they will not trust you or your party to mount and ride."

Here the young man touched a button and the heads flew off from the dozen or more talking machines of Coin. All were then informed by Farmer Hayseed

ABRAHAM LINCOLN.

how Coin had played them for suckers with his phonographs and smooth words. This was the end of the famous school of finance of the smooth little financier of Chicago. The eyes of most of those present were opened and thus, sooner or later, will the history of the agitation of some silver mine owners to force the Government to buy their wares at double their actual value represent the truth of one of Lincoln's trite remarks:

"You can fool all men sometimes. You can fool some men all the time, but you cannot fool all men all the time."

As the crowd broke up it cheered Farmer Hayseed and thanked him for exposing the shams and fallacies of the "smooth little financier." They had seen how a plain farmer armed with the truth of facts was able to destroy the dragon of free silver monometallistic pretense and sham. Those facts will guide the American people aright through hard times to renewed prosperity, as well as destroy the enemies of industry and wealth, who, by lying in wait, would long delay the time for reaching the goal.

All those who are in sympathy with the aims of this book, and who desire to circulate it, are invited to address the author, L. G. Powers, St. Paul, Minn.

The hog is the great modern alchemist, and if you, my son, begin to tremble lest the world's crop of gold may be gathered into the wheat pit for bears and bulls to dance upon and you be left in rags, go to raising corn and set your hogs to killing snakes and turning grain into gold.—[*Farmer Hayseed to his son. Chapter II.*]